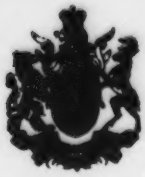
Report of the Provincial Auditor

to the Legislative Assembly
of Saskatchewan

Understanding the Finances of the Government

2000 Fall Report
Volume 1



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Vision

We envision effective, open and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly.
We are committed to fostering excellence in public sector management and accountability.

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September 27, 2000

The Honourable Ronald Osika
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
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Dear Sir:

I have the honour of submitting my *2000 Fall Report - Volume 1*, to be laid before the Legislative Assembly in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

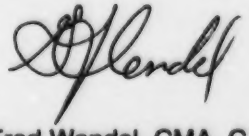
Respectfully yours,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/dd

Foreword

I am pleased to present my *2000 Fall Report – Volume 1* to the Legislative Assembly. This Report focuses on understanding the finances of the Government. Later this year, I will present Volumes 2 and 3. Volume 2 will report on our work at Saskatchewan Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority. Volume 3 will include the results of our work at other government organizations with years ended March 31, 2000.



Regina, Saskatchewan
September 27, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

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Executive summary

People need information about the planned and actual performance of the entire Government to understand and debate the important and complex issues facing Saskatchewan. The Government currently makes public financial planning and performance information focused on the General Revenue Fund. This information is not sufficient to understand the state of the finances of the entire Government because it excludes about 40% of Government activity.

To help people understand the state of the entire Government's finances, we set out some key financial and economic indicators. These indicators relate to the sustainability of government programs, the flexibility of the Government to increase revenues or increase the accumulated deficit, and the vulnerability of the Government's revenues.

Using these indicators, we conclude that the state of the Government's finances remains fragile but continues to improve slowly.

The improvement in the state of the Government's finances is the result of a growing Saskatchewan economy and the Government's decision to spend less than it raises in revenues. Over the past ten years, the economy has grown by about $8.2 billion. Over the past six years, the Government has spent $2.2 billion less than the revenue it has raised.

However, there are significant risks to the continued improvement of the Government's finances. The Government's need for revenue to pay for current services and for the accumulated deficit of $8.4 billion is large compared to the size of the Saskatchewan economy. For the past eight years, the Government's revenue demands on a growing Saskatchewan economy have been fairly steady at about 30% of Saskatchewan's Gross Domestic Product. Saskatchewan's economy is vulnerable to changes in commodity prices, interest rates, and the weather. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

We recommend the Government should publish planning and performance information that shows the entire Government.

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Glossary

Annual surplus or deficit - is the difference between a government's revenues and expenses. This measure shows the extent to which revenues raised in the year were sufficient or insufficient to meet expenses in that year.

Accumulated deficit – is the sum of all annual deficits and surpluses. This deficit is equal to the difference between a government's total debt and its total financial assets.

Debt – is the amount owed by a government. A government's debt includes bonds and debentures, pension obligations, and a variety of other payables and claims.

Financial assets – are cash and other assets convertible to cash which are not intended for consumption in the normal course of operations, but which could provide resources to pay liabilities or finance future operations. Examples include claims on outside organizations, investments in marketable securities and inventories for resale.

General Revenue Fund – is a special purpose fund the Government uses to pay part of the costs of certain services it provides. The financial statements of the General Revenue Fund reflect about 60% of the Government's activities. The Government sets out a financial plan for the Fund in its annual budget.

Gross domestic product – is a measure of the value of the goods and services produced in a jurisdiction in one year.

Own source revenue – is the revenue raised by a provincial government from sources within the province and, thus, excludes revenue transferred to a provincial government from the federal government.

Summary financial statements – report the financial results of all organizations the Government uses to provide goods and services to the public. The summary financial statements combine the financial activity reported in the General Revenue Fund financial statements (described above) with the financial activity of other entities the Government is responsible for, such as Crown corporations, agencies, boards and commissions.

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Key financial and economic indicators for Saskatchewan

(derived from the Government's summary financial statements and unadjusted for inflation)

(in millions)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Annual Surplus (Deficit)	(740)	(1,670)	(846)	(253)	184	574	557	368	128	**418**
Accumulated Deficit	7,885	9,555	10,401	10,654	10,470	9,896	9,339	8,971	8,843	**8,425**
Debt	17,555	19,003	19,884	20,703	20,635	20,434	19,524	18,932	18,748	**18,975**
Gross Domestic Product (GDP)*	21,326	21,775	21,251	22,887	24,586	26,410	28,519	28,943	28,081	**29,528**

(in percentages)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Accumulated Deficit as a % of GDP	37%	44%	49%	47%	43%	37%	33%	31%	31%	**29%**
Debt Costs as a % of Total Revenues	19%	19%	21%	20%	19%	18%	17%	16%	15%	**13%**
Federal Government Transfers as a % of own source revenues	28%	29%	23%	23%	21%	13%	10%	8%	13%	**18%**
Own source revenue as a % of GDP	27%	27%	29%	29%	30%	30%	29%	29%	29%	**30%**

* GDP statistics were obtained from the Saskatchewan Bureau of Statistics for the years ending December 31. These GDP statistics are not adjusted for inflation.

Note: The Government's summary financial statements cover the fiscal year ending March 31. The GDP statistics are for the previous calendar year ending December 31. As GDP statistics are not available for a fiscal year, we use GDP statistics for a calendar year in our analysis. For example, the GDP statistic in the 2000 column is for the year ended December 31, 1999.

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Introduction

Our Office is often asked about the state of the Saskatchewan Government's finances. Legislators, government officials and the public want to know whether the Government's finances are gaining strength or weakening, and why. Also, many want to know where they can obtain the information required to help them make their own assessments.

A sound understanding of the Government's finances is an important ingredient to an informed debate about the issues faced by the Government. Those issues pertain to the affordability of programs and services, the best sources of revenue, and the maintenance of Saskatchewan's infrastructure of roads, dams, buildings, energy and telecommunication systems.

For Saskatchewan, a sound understanding of the Government's finances is particularly important because of the potential impact of changes in economies outside Saskatchewan and Canada. Those changes, such as changing commodity prices, impact the Saskatchewan economy and, thus, the state of finances of the Saskatchewan Government.

In this Report, we set out some of the financial and economic information that should help Saskatchewan people understand and assess the state of the Government's finances. We continue to encourage the Government to publish better planning and performance information.

The information in this Report is derived from the Government's statistical reports and from its summary financial statements contained in Volume 1 of the Public Accounts (the 1999-00 summary financial statements are set out in Appendix 3 to this Report). The information is not adjusted for inflation.

In this Report, we focus on the status of several financial and economic indicators for the years 1991 to 2000. Prior to 1991, such information was not available because the Government did not prepare summary financial statements. In Appendix 1, we also set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials and the public to understand the state of the Government's finances.

The Government's finances

The state of the Government's finances is improving slowly but there are significant risks to continued improvement. The improvement in the state of the Government's finances is the result of a growing Saskatchewan economy and the Government's decision to spend less than it raises in revenues. Over the past ten years, the economy has grown by about $8.2 billion. Also, over the past six years, the Government has spent $2.2 billion less than the revenue it has raised. These surpluses have reduced the Government's accumulated deficit.

Some risks to the continued improvement of the Government's finances are changes in commodity prices, interest rates, and the weather. Also, the Government's revenue needs to pay for current services and for the accumulated deficit are large when compared to the Saskatchewan economy. For the past eight years, the Government's revenue demands on a growing Saskatchewan economy have been fairly steady at 29% or 30% of Saskatchewan's Gross Domestic Product.

Planning and performance information

Currently, the Government does not publish complete financial planning or performance information. We think it should.

The financial planning and performance information now published by the Government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund. That picture is not complete because about 40% of Government activity takes place outside that Fund. This activity takes place in organizations such as SaskTel, SaskPower and the Liquor and Gaming Authority. Also, the information that is presented in that Fund can be changed by arbitrary Government decisions about which revenues or expenses to record in the Fund and in which year.

For several years, we have recommended that the Government base its financial plans and performance reports on a complete financial framework. The issues and decisions faced by Saskatchewan are far too important and complex to be considered in the context of incomplete planning and performance information. The Government should not focus

its planning, management and reporting on an incomplete picture of its finances.

Over the past two years, the Government has begun to examine how to improve its financial plans and performance reports for general programs and enterprises. We strongly support these initiatives and hope that they will lead to improved planning and performance reporting for the entire Government. In turn, this will provide the Government with better information for making decisions and for assessing performance. Moving to a sound plan for the entire Government will not be easy. It will take time, effort and resources.

Key indicators of the state of a government's finances

Governments should publish financial and economic information to help people assess:

- The ability of a government to meet its existing program commitments and creditor requirements without increasing its accumulated deficit – **sustainability**.

- The degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenues or by increasing its accumulated deficit – **flexibility**.

- The degree to which a government becomes dependent, and thus, vulnerable to sources of funding outside of its control or influence – **vulnerability**.

There are several financial and economic indicators that can help people make these assessments. The trends in these indicators provide insight into the state of a government's finances (the Research Report entitled *Indicators of Government Financial Condition*, published by The Canadian Institute of Chartered Accountants, describes these indicators).

In this Report, we discuss these indicators in the Saskatchewan context. Each indicator can and should be analysed in detail, combined with other information, and monitored over time. The Government should include such an analysis in an annual performance report. Publishing an annual performance report would also provide the Government with the

opportunity to set out its thinking on the underlying issues, the status of its key performance indicators, and its plans for the future.

The Government's deficit and Saskatchewan's gross domestic product

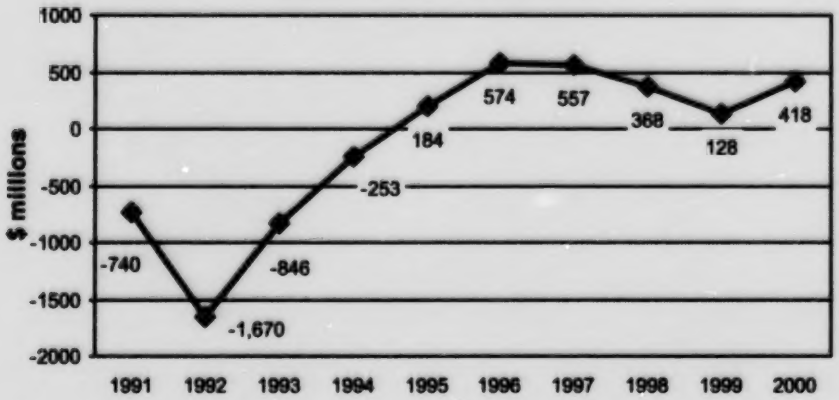
A government's annual surplus or deficit, its accumulated deficit and a province's gross domestic product (GDP) are important indicators of the state of a government's finances. Each of these indicators provides useful insights into the **sustainability** of a government's revenue raising and spending practices.

The annual surplus or deficit shows the extent to which a government spends less or more than what it raises in revenues in one fiscal year. Over the last six years, the Government has spent $2.2 billion less than it has raised in revenue.

During the past ten years, the size of the Government's annual deficit or surplus has changed significantly. For example, in 1992, the Government spent nearly $1.7 billion more than its revenues. On the other hand, in 1996, the Government spent over $500 million less than its revenues – a swing of $2.2 billion in four years (see Graph 1).

Graph 1

The Government's Annual Surplus or Deficit



The accumulated deficit is the sum of all annual deficits and surpluses. The Government's accumulated deficit is the amount that current and past generations of Saskatchewan citizens are leaving to future generations of citizens to pay or finance.

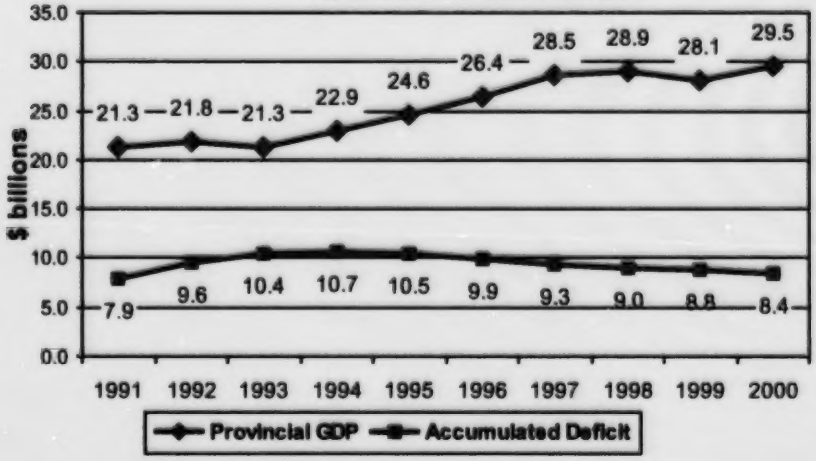
At March 31, 2000, the accumulated deficit was $8.4 billion (see Graph 2).

The Province's gross domestic product (GDP) is a measure of the total value of all the goods and services produced in Saskatchewan in one year. The GDP indicates the size of the provincial economy. The Government must manage its revenue raising and spending practices in the context of the economy of Saskatchewan.

Since 1991, the GDP of Saskatchewan has increased by 38% (unadjusted for inflation). In 2000, the GDP of Saskatchewan was $29.5 billion (see Graph 2).

Graph 2

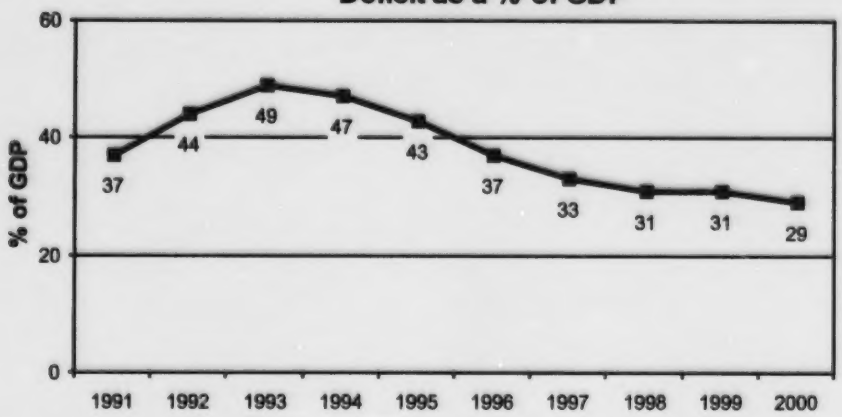
The Government's Accumulated Deficit and the Province's GDP



The financial demands placed on the economy by the Government's spending and revenue raising practices can be assessed for sustainability by comparing the Government's accumulated deficit to the Province's GDP (see Graph 3).

Graph 3

The Government's Accumulated Deficit as a % of GDP



In Saskatchewan, this comparison shows that from 1991 to 1993 the trend in the Government's spending and revenue raising practices was not sustainable. If that upward trend had continued, the Saskatchewan economy would not have been able to meet the financing needs of a growing accumulated deficit. During these years, the credit rating of the Government was lowered. The Government had access to fewer sources of borrowings, paid high interest costs, and received large equalization payments from the rest of Canada through the Federal Government.

The Province's economy has grown over the past ten years. Also, since 1995, the Government has been spending less than it raises in revenues. As a result, the accumulated deficit as a percentage of GDP decreased. This downward trend suggests the economy is better able to sustain the demands placed on it by the Government. Since 1995, the credit rating of the Government has improved. The Government now has more sources of borrowing, pays lower interest costs, and relies less on equalization payments.

The Government's debt and interest costs

A government's total debt and its interest costs are also important indicators of the state of its finances. These indicators provide insight into a government's **flexibility** in responding to rising commitments. When a government has large debts and interest costs, it has fewer resources to allocate to programs and services.

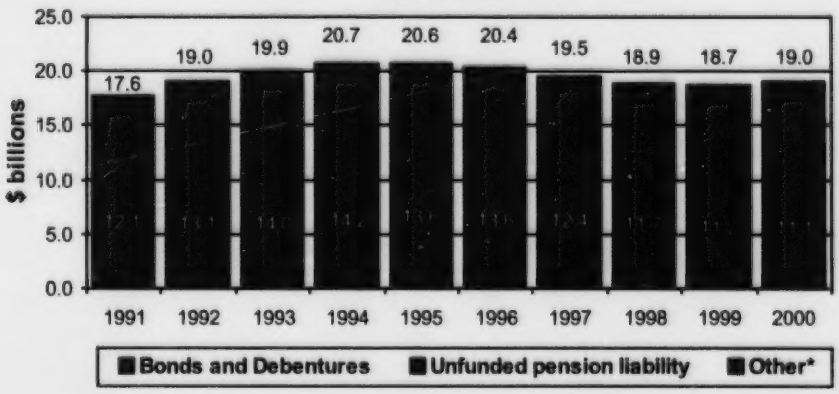
Government debt is largely made up of bonds, debentures and unfunded pensions, together with a variety of other liabilities.

- Bonds and debentures are monies borrowed primarily from external markets.
- Unfunded pension liabilities are obligations owed to current and past employees and teachers, for which money has not been set aside.
- Other liabilities include trade accounts payable, accrued interest, and unpaid claims for government insurance and workers' compensation programs.

Since 1994, the Government's total debt has decreased. However, this decrease has consisted of three key components. While bonds and debentures decreased $3.1 billion (from $14.2 billion to $11.1 billion), pension liabilities increased $0.6 billion (from $3.2 billion to $3.8 billion) and other liabilities increased $0.8 billion (from $3.3 billion to $4.1 billion) (see Graph 4).

Graph 4

The Government's Liabilities (Debt) as at March 31



* Excludes amounts owed by the GRF to the Liquor and Gaming Authority since they are not owed to non-government agencies (in millions: 2000 - $674, 1999 - $364, 1998 - $386, 1997 - $451, 1996 - $197, 1995 - $241, 1994 - $140, 1993 - $116, 1992 - $118, and 1991 - $70)

The Government incurs interest costs on its debt. The money to pay interest costs is raised by levying taxes or by charging directly for

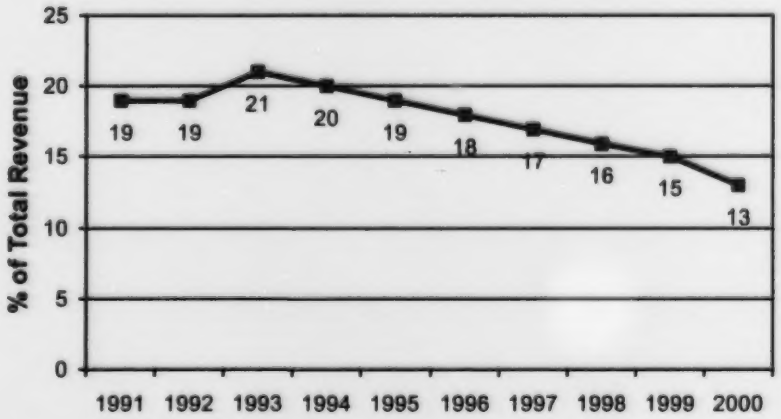
services, e.g., utility rates. In 2000, the Government's interest costs were $1.3 billion. To put that $1.3 billion in perspective, in the same year the Government spent $0.9 billion on education, and $0.8 billion on social services and assistance.

The trend in interest costs as a percentage of total revenue, sometimes called the "interest bite", is an important indicator of the state of a government's finances. This indicator shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

In 1993, twenty-one cents of every dollar of the Government's revenue was needed to pay for the costs of debt (see Graph 5). Since 1993, the amount of revenue the Government needed to pay for the costs of debt has declined each year. In 2000, thirteen cents of every dollar of the Government's revenue was needed to pay for the costs of debt. This represents a reduction in the interest bite.

Graph 5

The Government's Debt Costs as a % of Total Revenue



As a result of the reduction of the interest bite, the Government can now use more of its revenues to pay for programs and services, and use less of its revenues to pay for the interest costs of debt. In 2000, the interest costs of debt was $376 million less than in 1995. The improvement in the Government's finances since 1995 is the result of a combination of debt reduction, increased revenue and lower interest rates on the Government's debt.

Transfers from the Federal Government

The Saskatchewan Government raises revenue from two general sources. The first revenue source is from within the Province. This source is called "own source revenue". The second source of revenue is transfers from the Federal Government.

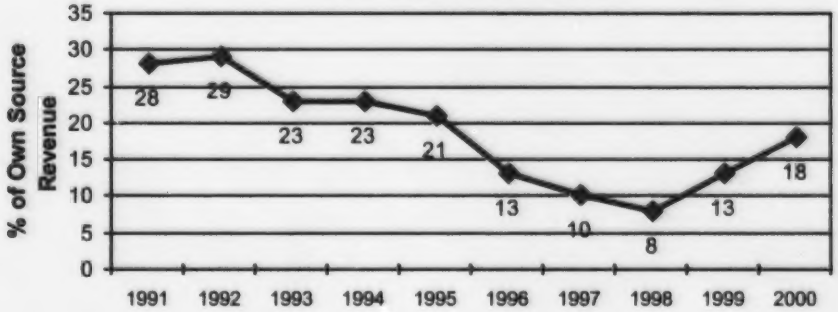
A significant portion of the Saskatchewan Government's revenue consists of transfers from the Federal Government. These revenue transfers are intended to help pay for the costs of such programs as health, education, social services and agriculture. In addition, the Saskatchewan Government receives equalization transfers from the Federal Government. The Federal Government calculates the amount of equalization transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government.

An important indicator of the state of the Saskatchewan Government's finances is the extent to which it raises its own revenue from within the Province (own source revenue) as compared to the extent to which it receives revenue transfers from the Federal Government. This indicator provides a valuable insight into the Saskatchewan Government's **vulnerability** to sources of funding outside of its control.

Since 1991, revenue transfers from the Federal Government have decreased as a percentage of the revenues raised directly by the Saskatchewan Government from sources within the Province (see Graph 6).

Graph 6

Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue



However, in the last two years, the trend has reversed due to increases in Federal revenue transfers for Agriculture and Health and for Equalization due to improvement in the performance of the economies of other provinces. For example, Federal Government transfers for equalization decreased from $663 million in 1991 to a low of $8 million in 1998 before rising again to $542 million in 2000.

On the other hand, revenue raised directly by the Saskatchewan Government from sources within the Province has increased significantly.

For example, since 1991:

- Taxation revenue has increased from less than $2 billion to more than $3.2 billion;
- Revenue raised by the Government's enterprise Crown corporations[1] increased from $2.5 billion to $3.7 billion; and
- Non-renewable resources revenue has increased from just over $400 million to over $900 million in 2000.

Since 1991, Federal Government transfers as a percentage of Saskatchewan Government own source revenue have declined from 28% to 18%. As a result, the Government is less dependent on, or less vulnerable to, sources of revenue outside its control.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2 of this Report.

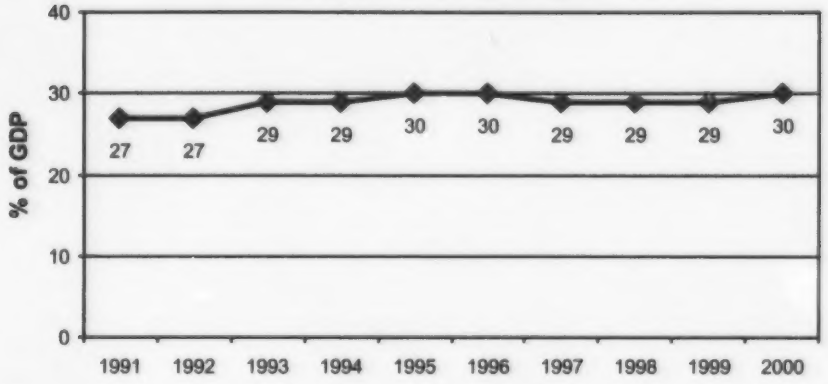
The Government's own source revenue

Another important indicator of the state of a government's finances is shown by comparing the change in a government's own source revenue to the size of the economy (see Graph 7).

[1] The Government's enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements (see page 50). These enterprises raise revenue through direct charges for goods and services.

Graph 7

The Government's Own Source Revenue as a % of GDP



Since 1991, the revenue raised by the Saskatchewan Government, as a percentage of GDP from sources within the Province have remained fairly constant. In 1996, the increase in the Government's revenue includes a gain of over $600 million on the sale of investments. Although the Government has improved its finances, the Government continues to place significant revenue demands on the Province's economy.

Recommendations

In addition to questions about the state of the Government's finances, we are often asked whether the Government is managing our resources in the best possible manner. This is a very difficult question because the answer involves important policy issues related to the role of government and whether individual programs are worthwhile. Such issues are best left to debate among legislators and the public.

However, we encourage the Government to publish better planning and performance information to help legislators, government officials and the public debate the best use of the public resources available to Government.

As we state in this Report, the financial planning and performance information now published by the Government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund.

We think that overall plans and performance reports would improve decision making. In particular, such plans and performance reports would encourage the development of clear objectives, targets and performance indicators. This could create additional opportunities for various parts of the Government to coordinate their work and resources.

Public plans and reports contribute to informed debate by enabling more widespread understanding of the Government's intentions. Public plans and reports also provide an opportunity for the Government to demonstrate how it has moved towards its objectives or, if it has not, to explain what it has achieved and why.

With such information, legislators and the public can then better assess the Government's performance and whether it is managing public resources in the best possible manner.

1. **We continue to recommend that Cabinet improve its published overall plan by showing clearly the broad direction of the entire Government from both a financial and operational perspective.**

2. **We continue to recommend that Cabinet prepare and publish better performance reports for the entire Government that show its progress (both financial and operational) toward achieving the goals set out in its overall plan.**

In our previous Reports to the Legislative Assembly, we explain in more detail why we recommend that the Government publish more useful planning and performance information (see Chapter 1 of our 2000 Spring Report).

Appendix 1 - Other questions and answers

In this Appendix, we set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials and the public to understand the state of the Government's finances.

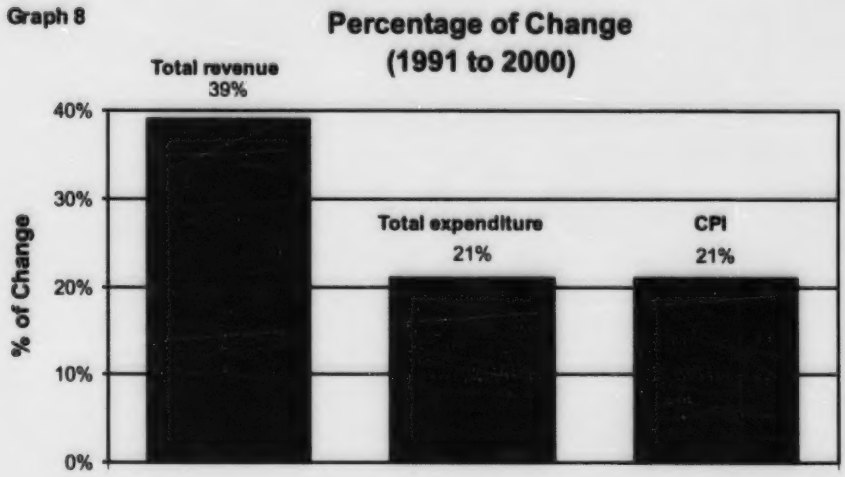
1. Is the Government making the best use of the public's resources?

   This is a question that involves important policy issues best left to informed legislative – and public – debate. However, the Government should do more to foster that debate by publishing overall planning and performance information for the entire Government, and by publishing a comparison of planned and actual results. For legislators to hold the Government fully accountable they need to know the Government's entire plan and its expected and actual performance.

2. Is the Government's revenue raising and spending increasing at a rate less than or greater than inflation?

   In the following graph, the percentage change in revenues and in expenses are compared to the change in Saskatchewan's consumer price index (CPI).

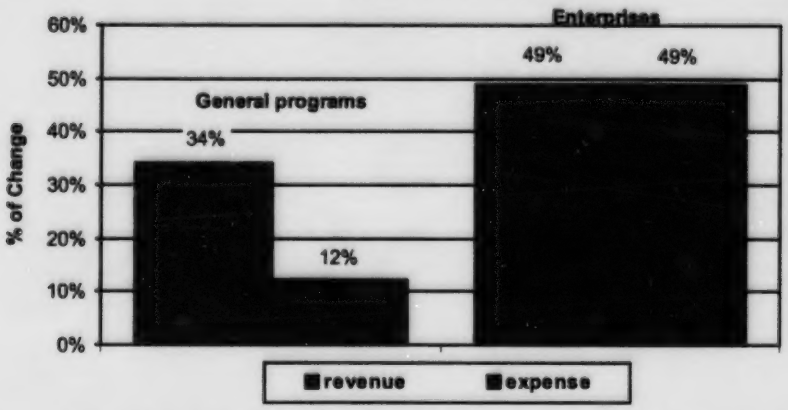
Graph 8



3. Is the Government carrying out more activity in its enterprise Crown corporations[2]?

Graph 9

Percentage of Change (1991 to 2000)



From 1991 to 2000, general program revenues increased 34% and general program expenses increased 12%. In the same period, both enterprise revenues and expenses increased 49%. These amounts are not adjusted for inflation.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2 of this Report.

4. To what extent are the Government's financial results affected by the sale of its investments?

- In 1991, the Government recorded a $189 million loss from the sale of shares in Cameco.
- In 1996, the Government recorded a $615 million gain from the sale of shares of Cameco, LCL Cable and ISM.
- In 1998, the Government recorded a $175 million gain from the sale of shares in Wascana Energy Inc. and the sale of the Bi-Provincial Upgrader.

[2] The Government's enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements (see page 50). These enterprises raise revenue through direct charges for goods and services.

- In 2000, the Government recorded a $69 million gain from the sale of its interests in Saturn Communications Limited and the Saskfor MacMillan Limited Partnership.

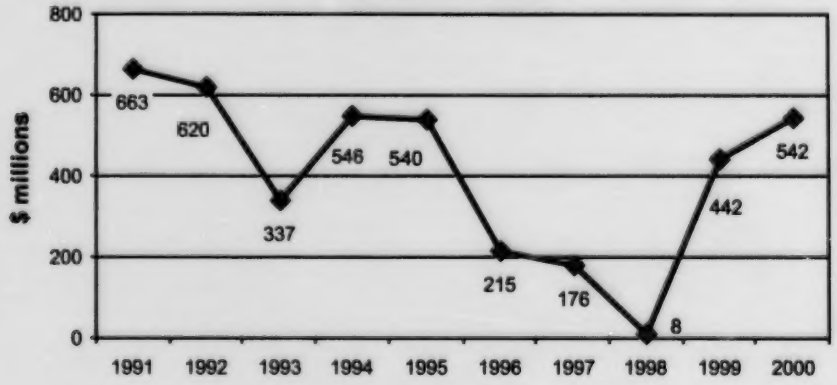
5. How are the Government's finances affected by transfers from the Federal Government for Equalization?

The Saskatchewan Government has received transfers for Equalization from the Federal Government for many years. The Federal Government calculates the amount of the transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government.

The following graph shows the Equalization transfer revenue recorded in the Government's summary financial statements from 1991 to 2000.

Graph 10

Equalization Transfer Revenue from 1991 to 2000



6. How does the state of finances of the Saskatchewan Government compare to other governments?

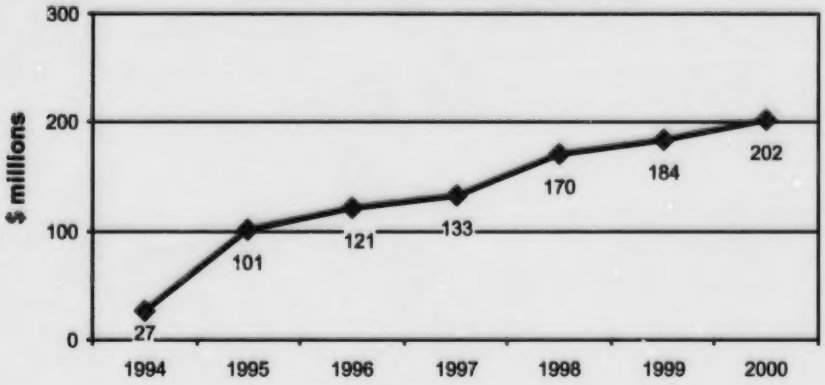
Because of differences in the financial and economic information published by governments, valid multi-year comparisons are still not possible.

7. What impact has gaming operations had on the Government's finances?

The Government has earned net income from gaming since 1994. Net income is the amount of gaming revenues received by the Government after deducting expenses for gaming operations. In 1994, the net income from gaming was $27 million. Since then, net income from gaming has increased steadily as shown below.

Graph 11

Impact of gaming net income on the Government's finances



In Appendix 2, gaming revenues and expenses are combined with liquor revenue and expenses, e.g., for the year ended March 31, 2000, Appendix 2 shows total revenue and expenses from liquor and gaming of $624 million and $292 million respectively. Net income from liquor and gaming combined was $332 million.

8. What impact has oil revenues had on the Government's finances?

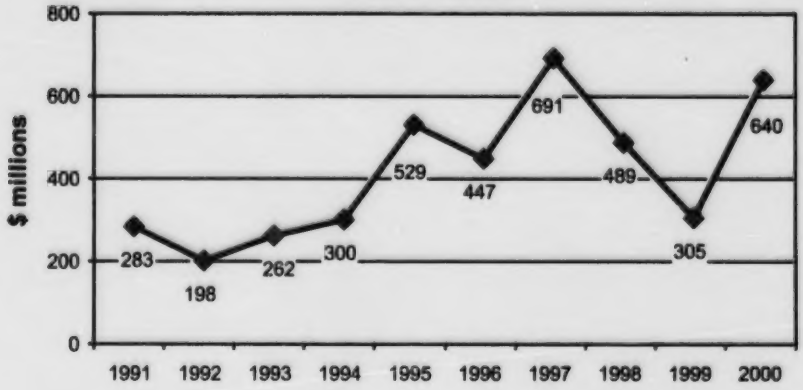
Oil is traded on the world markets and the price fluctuates due to world supply and demand. In recent years, the price of oil has been subject to extreme price swings resulting in similar swings in the Government's oil revenues. For example, oil revenues reached a high of $691 million in 1997 before falling to $305 million in 1999 and recovering to $640 million in 2000. Such revenue swings are beyond the control of the Saskatchewan Government.

The impact of changes in oil and other natural resource royalties are significant to the Government's finances. However, the Federal Government deducts a substantial portion of oil and other

natural resource royalties from other amounts due to Saskatchewan for equalization.

Graph 12

Oil Revenue from 1991 to 2000



9. In which areas is the Government increasing or decreasing its revenue raising and spending?

Since 1991, there have been many changes to the revenue raising and spending practices of the Government. For example:

- Revenues from taxes increased from under $2 billion to over $3.2 billion;
- Revenue transfers from the Federal Government decreased from a high of over $1.7 billion to under $700 million, and then increased to over $1.5 billion;
- Revenue from liquor and gaming increased from just under $300 million to over $620 million;
- Agricultural expenses decreased from a high of nearly $1.2 billion to $251 million in 1998 and increased to $693 million in 2000;
- Debt or interest costs decreased from a high of nearly $1.7 billion to $1.3 billion;
- Educational expenses increased from $847 million to $900 million; and

- Health expenses increased from nearly $1.7 billion to almost $2.2 billion.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2 of this Report.

10. To what extent has the Government delayed spending on maintenance and replacement of Saskatchewan's infrastructures of roads, dams, buildings, energy and telecommunication systems?

The Government does not provide an overall report on the state of the public infrastructure and currently we do not have sufficient information to answer this question. However, the annual reports of SaskPower, SaskEnergy and SaskTel provide information on Saskatchewan's energy and telecommunications infrastructures.

11. Which items significantly affected the summary financial statements results for 2000?

Federal Government transfer revenue increased by $465 million from last year. This was due to an increase in equalization revenue of $100 million and increased transfer revenue for Agriculture and Health. For example, Federal transfer revenue for Agriculture increased by $197 million. This was mainly due to a $180 million transfer to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates. Also, the Federal Canada Health and Social Transfer increased by $128 million.

Non-renewable resources revenue increased by $321 million from last year mainly due to a recovery in oil prices resulting in an increase in oil revenue. In 2000, oil revenue was $640 million versus $305 million in 1999 (see page 64 of Appendix 3 to this Report).

Other General Program revenue increased by $125 million from last year. This was mainly due to increased health revenue as a result of the inclusion of the financial results of 29 health boards not previously included in the summary financial statements and a

$30 million gain on the sale of the Government's interest in the Saskfor MacMillan Limited Partnership.

Agricultural expenses increased by $370 million from last year. This was mainly due to new agriculture programs to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates, to assist farmers who were unable to seed crops last year due to flooding and to increase agricultural income disaster assistance provided to farmers.

Interest costs decreased by $104 million from last year. This was mainly due to decreases in the Government's total outstanding debt and lower interest rates on the debt.

Health expenses increased by $243 million from last year due to increased expenses from new collective bargaining agreements and other additional health expenses.

Finally, net income earned by Government enterprises decreased by $124 million from last year (see page 36 of Appendix 3 to this Report).

12. How much debt and interest per capita do we have?

The debt per person has decreased from a high of $20,526 at March 31, 1994 to $18,458 at March 31, 2000. As the debt has declined, the annual interest cost per person has declined from a high of $1,655 to $1,265 at March 31, 2000.

13. How much of the Government's debt of bonds and debentures owed to external markets is owed by enterprise Crown corporations?

At March 31, 2000, the Government's total debt in bonds and debentures owed to external markets was $11.1 billion. Of this amount, $2.9 billion or 26% was owed by enterprise Crown corporations. For further information, please see page 58 of Appendix 3 to this Report.

14. How much of the Government's total debt in bonds and debentures is payable in foreign currencies?

At March 31, 2000, the Government's total debt in bonds and debentures was $11.1 billion (net of sinking funds). Of this amount, $2.0 billion or 18% was payable in foreign currencies, i.e., U.S. dollars. For further information, see page 60 of Appendix 3 to this Report.

15. Why do agriculture expenditures fluctuate so much?

Agriculture spending fluctuates depending on the health of the agriculture economy. The agriculture economy is dependent on prices for commodities that are traded in world markets and that are subject to world supply and demand. The agriculture economy is also affected by trading subsidies paid by foreign governments. Further, the health of the agriculture economy is also dependent on the weather.

In addition, large agriculture programs are often cost-shared with the Federal Government. These cost-share programs can be administered by the Federal Government or the Saskatchewan Government. The accounting for cost-share programs can have a significant impact on the amount recorded as agricultural expenses.

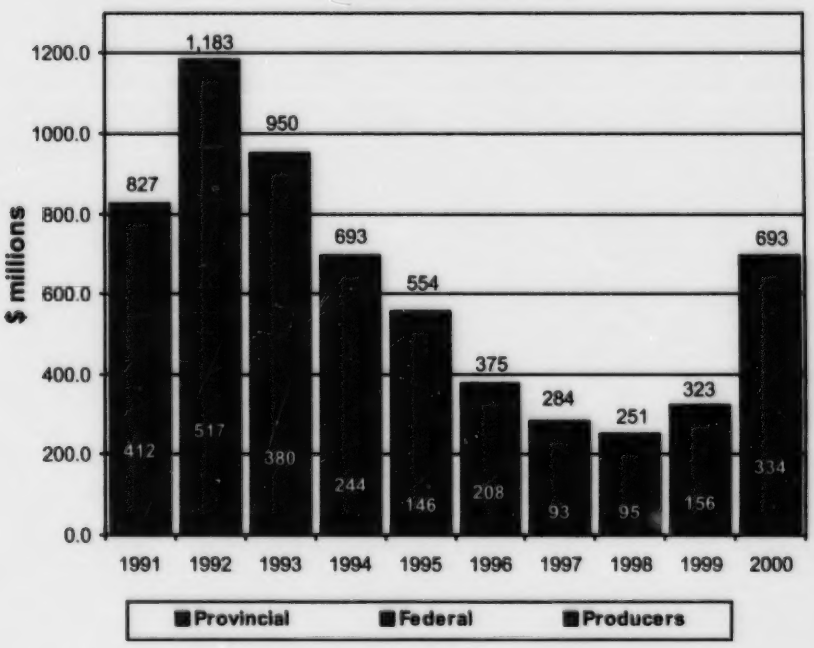
For example, if Saskatchewan administers the program, as is done with crop insurance, the Saskatchewan Government shows the total expenses for the program, even though some of the money to pay for the program came from the Federal Government and farmers. The money from the Federal Government and farmers shows up separately in the financial statements as Revenue.

If on the other hand, as with the Agricultural Income Disaster Program (AIDA), Saskatchewan does not administer the program, but instead pays its share of the cost to the Federal Government (administrator), then the Saskatchewan Government shows only its share of the cost of the program as an expense.

The following graph shows how the Saskatchewan Government financed agricultural expenses for the past 10 years. However, the graph does not include significant Government support provided to the agriculture sector through tax concessions and rebates. For example, for the year ended March 31, 2000, the Government provided farm fuel tax rebates of $41 million to Saskatchewan farmers. These rebates are accounted for as a reduction of revenue.

Graph 13

Financing Sources for Agriculture Expenses



16. How much debt is guaranteed by the Government?

At March 31, 2000, the Government had guaranteed debt of $451 million. These guarantees relate to the debt of non-government organizations. For further information, see page 62 of Appendix 3 to this Report.

In the next Appendix, **Other more detailed information**, the Government's revenue raising and spending are set out in more detail.

Appendix 2 - Other more detailed information

(derived from the Government's summary financial statements)

(in $ millions)

	1991	1992	1993	1994
	(unaudited)			
Revenue				
General Programs				
Taxes	1,988	2,163	2,276	2,536
Federal government transfers	1,603	1,706	1,447	1,488
Non-renewable resources	423	323	393	453
Other	932	952	948	775
	4,946	5,144	5,064	5,252
Enterprises				
Energy (SaskPower & SaskEnergy)	1,010	1,016	1,066	1,164
Insurance[2]	536	556	574	625
Liquor and Gaming	297	293	291	327
Telecommunications (SaskTel)	574	569	629	630
Other	48	89	88	88
	2,465	2,523	2,648	2,834
Total Revenue	7,411	7,667	7,712	8,086
Expense				
General Programs				
Agriculture[3]	827	1,183	950	693
Community development	143	107	104	145
Debt charges (interest costs)	1,053	1,147	1,299	1,285
Economic development	86	125	81	79
Education	847	871	883	849
Environment and natural resources	184	20	87	151
Health	1,659	1,641	1,614	1,553
Protection of persons and property	262	274	248	178
Social services and assistance	446	507	547	550
Transportation	283	242	201	212
Other	270	969	199	148
	6,060	7,086	6,213	5,843
Enterprises[1]				
Energy (SaskPower & SaskEnergy)	866	871	908	1,015
Insurance[2]	480	545	586	618
Liquor and Gaming	189	183	178	186
Telecommunications (SaskTel)	527	518	549	544
Other	29	134	124	133
	2,091	2,251	2,345	2,496
Total Expense	8,151	9,337	8,558	8,339
Annual surplus (deficit)	(740)	(1,670)	(846)	(253)
Accumulated (deficit), beginning of year	(7,145)	(7,885)	(9,555)	(10,401)
Accumulated (deficit), end of year	(7,885)	(9,555)	(10,401)	(10,654)

[1] Total enterprises' expenses include interest costs in millions of $274 for 2000, $293 for 1999, $299 for 1998, $319 for 1997, $345 for 1996, $338 for 1995, $363 for 1994, $344 for 1993, $326 for 1992 and $344 for 1991.

[2] Enterprises carrying out insurance programs include Saskatchewan Government Insurance, Saskatchewan Auto Fund and the Workers' Compensation Board.

(in $ millions)

1995	1996	1997	1998	1999	2000
2,643	2,854	3,125	3,116	3,155	3,224
1,512	1,046	853	675	1,088	1,553
718	673	907	781	622	943
899	1,260	791	983	784	909
5,772	5,833	5,676	5,555	5,649	6,629
1,225	1,240	1,365	1,276	1,333	1,382
657	713	785	835	868	892
431	473	511	569	597	624
629	775	700	727	755	776
95	33	13	10	27	10
3,037	3,234	3,374	3,417	3,580	3,684
8,809	9,067	9,050	8,972	9,229	10,313
554	375	284	251	323	693
160	158	148	152	160	158
1,338	1,305	1,224	1,175	1,111	1,026
79	108	118	77	97	89
874	828	853	855	886	901
116	192	142	119	202	168
1,622	1,623	1,682	1,761	1,931	2,174
187	195	190	203	230	262
584	588	586	700	747	785
228	236	248	273	272	273
202	212	191	212	260	256
5,944	5,820	5,666	5,778	6,219	6,785
1,075	1,102	1,152	1,104	1,156	1,232
744	708	782	750	771	864
207	230	256	273	283	292
531	583	616	687	662	708
124	50	21	12	10	14
2,681	2,673	2,827	2,826	2,882	3,110
8,625	8,493	8,493	8,604	9,101	9,895
184	574	557	368	128	418
(10,654)	(10,470)	(9,896)	(9,339)	(8,971)	(8,843)
(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)

[3] The Agriculture expense does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenses for agricultural programs, plus the total expenses of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to $288 for 2000, $91 for 1999, $74 for 1998, $84 for 1997, $74 for 1996, $207 for 1995, $219 for 1994, $289 for 1993, $405 for 1992, $294 for 1991. Funding provided by producers in millions amounted to $71 for 2000, $76 for 1999, $82 for 1998, $107 for 1997, $93 for 1996, $201 for 1995, $230 for 1994, $281 for 1993, $261 for 1992, $121 for 1991.

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Appendix 3
The Government's 1999-00 summary financial statements

Government of Saskatchewan
Responsibility for Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations, agencies, and other funds to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. His report states the scope of his audit and opinion and appears on the following page.

Treasury Board approves the Summary Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

Eric Cline
Minister of Finance

Paul Boothe
Deputy Minister of Finance

Terry Paton
Provincial Comptroller

Regina, Saskatchewan
June 2000

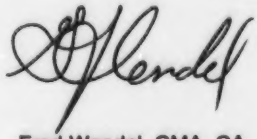
Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the summary statement of financial assets, liabilities, and accumulated deficit of the Government of Saskatchewan as at March 31, 2000 and the summary statements of revenue, expenditure, and accumulated deficit and operating, investing and financing activities for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these summary financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for governments recommended by The Canadian Institute of Chartered Accountants.



Regina, Saskatchewan
June 5, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

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Government of Saskatchewan
Summary Statement of Financial Assets, Liabilities, and Accumulated Deficit
As at March 31, 2000

Schedule		(thousands of dollars) 2000	1999 (Restated)
Financial Assets			
	Cash and temporary investments (note 2)	$ 806,325	$ 543,198
	Prepaid expenditures	15,978	15,505
1	Accounts receivable	802,262	489,685
	Inventories held for resale	5,729	6,241
	Land held for resale (note 3)	130,980	132,993
	Deferred charges	42,480	50,405
	Deferred foreign exchange loss	162,074	217,824
2	Loans and mortgages receivable	159,679	181,325
3	Investment in government enterprises	3,055,582	2,653,632
4	Other investments	735,512	728,064
Total Financial Assets		5,916,601	5,018,872
Liabilities			
5	Accounts payable and accrued liabilities	1,449,609	1,332,192
6	Other liabilities	721,535	400,300
	Unearned revenue	192,496	169,880
7,8 & 9	Public debt	8,176,819	8,210,814
	Pension liabilities (note 6)	3,801,046	3,749,028
Total Liabilities		14,341,505	13,862,214
Accumulated Deficit		$ (8,424,904)	$ (8,843,342)

(See accompanying notes)

Tangible capital assets (note 4)
Contingencies and commitments (notes 10 and 11)
10 Guaranteed debt

Government of Saskatchewan
Summary Statement of Revenue, Expenditure, and Accumulated Deficit

For the Year Ended March 31, 2000

Schedule		(thousands of dollars) 2000	1999 (Restated)
Revenue			
11	Taxation	$ 3,223,784	$ 3,155,160
11	Non-renewable resources	943,150	622,216
11	Gain on sale of investments	26,367	-
11	Other own-source revenue	882,614	783,525
11	Transfers from the federal government	1,553,575	1,087,441
Total Revenue		6,629,490	5,648,342
Expenditure			
	Agriculture	692,655	323,353
	Community development	158,324	159,390
	Debt charges	1,025,709	1,110,833
	Economic development	89,162	96,710
	Education	901,587	885,865
	Environment and natural resources	168,439	201,554
	Health	2,173,774	1,930,509
	Protection of persons and property	261,910	230,443
	Social services and assistance	785,054	747,102
	Transportation	273,232	271,729
	Other	255,620	260,271
Total Expenditure (note 8)		6,785,466	6,217,759
	Deficit from government service organizations	(155,976)	(569,417)
3	Income from government enterprises	574,414	697,723
Surplus for the Year		418,438	128,306
Accumulated deficit, beginning of year		(8,843,342)	(8,971,648)
Accumulated Deficit, End of Year (note 7)		$ (8,424,904)	$ (8,843,342)

(See accompanying notes)

Government of Saskatchewan
Summary Statement of Operating, Investing, and Financing Activities
For the Year Ended March 31, 2000

Schedule		(thousands of dollars) 2000	1999 (Restated)
Operating Activities			
	Surplus for the year	$ 418,438	$ 128,306
	Add (deduct) non-cash items		
3	(Income) Loss from government enterprises	(574,414)	(697,723)
	Amortization of foreign exchange gains and losses	5,973	9,173
12	(Gain) Loss on investments	(31,821)	35,528
	Provision for (reduction of) loan/mortgage losses	(14,958)	(17,832)
	Dividends received from investments	3,211	2,069
3	Dividends received from government enterprises	172,464	521,844
13	Net change in non-cash operating activities	(164,580)	298,696
Cash Provided by (Used for) Operating Activities		(185,687)	280,061
Investing Activities			
	Disposal (Acquisition) of land held for resale	2,013	(9,783)
	Net decrease (increase) in loans and mortgages receivable	36,604	88,806
	Acquisition of other investments	(64,653)	(43,564)
	Disposition of other investments	112,050	167,332
	Increase in other investments, beginning of year (note 15)	(26,235)	-
Cash Provided by Investing Activities		59,779	202,791
Financing Activities			
	Proceeds from public debt	1,349,994	299,551
	Repayment of public debt	(1,424,144)	(894,330)
	Increase in public debt, beginning of year (note 15)	89,932	-
	Increase in pension and other liabilities	373,253	61,484
Cash Provided by (Used for) Financing Activities		389,035	(533,295)
Increase (Decrease) in cash and temporary investments		263,127	(50,443)
Cash and temporary investments, beginning of year		543,198	593,641
Cash and Temporary Investments, End of Year		$ 806,325	$ 543,198

(See accompanying notes)

Government of Saskatchewan
Notes to the Summary Financial Statements

For the Year Ended March 31, 2000

1. Significant Accounting Policies

These Summary Financial Statements are prepared using accounting principles appropriate for government and reflect the following significant accounting policies:

a) Reporting entity

These financial statements report the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government.

Trusts administered by the Government are excluded from the reporting entity.

A listing of organizations included in the reporting entity is provided in schedule 14. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

b) Method of consolidation

The accounts of all government organizations, except those designated as government enterprises are consolidated after adjusting them to a basis consistent with the accounting policies described in note 1(c). These organizations are referred to as government service organizations. Significant inter-organization accounts and transactions are eliminated.

Government enterprises are defined as self-sufficient organizations that have the financial and operating authority to sell goods and services to individuals and non-government organizations as their principal activity.

Government enterprises are recorded using the modified equity method. The Government's investment, which is initially recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies described below. Inter-organization accounts and transactions are not eliminated.

Financial results of government organizations whose fiscal year-ends are not March 31 are not adjusted unless the effect of such an adjustment would be significant to the consolidated operating results.

c) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

Revenue

Revenues are recorded on the accrual basis except for receipts from the federal government for corporate and personal income taxes, which are recorded on the cash basis.

Expenditure

Expenditures are recorded on the accrual basis and include the cost of tangible capital assets and inventories of supplies acquired during the year.

Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Temporary investments are recorded at cost which approximates market value.

Inventories held for resale are recorded at the lower of cost and net realizable value. ***Inventories of supplies*** are recorded as an expenditure in the period acquired.

Land held for resale is valued at the lower of cost or net realizable value, on an aggregate basis.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of long-term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

Government of Saskatchewan
Notes to the Summary Financial Statements

Deferred foreign exchange loss includes net unrealized foreign exchange gains and losses resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. Realized foreign exchange gains and losses are included in the surplus or deficit for the year. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue.

Loans receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan is written down to recognize the loss.

Other investments are made up of equity investments, which include government business partnerships, portfolio investments, bonds and debentures, and property holdings. Other investments are accounted for by various methods as described below and are written down to their fair value when there is evidence of a permanent decline in their value.

Equity investments exist when the Government holds shares of private or public companies and exercises significant influence but has less than a controlling interest or has shared control, as in government business partnerships. These investments are accounted for by the modified equity method. Using this method, the carrying value of the investment is adjusted for the Government's share of the investee's net earnings or losses and reduced by dividends received from these shares.

Government business partnerships are equity investments where there is a contractual arrangement between the Government and a party outside the reporting entity and where the partners share on an equitable basis the significant risks and benefits associated with operating the partnership. The partnership is a self-sufficient organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity. Government business partnerships are recorded using the modified equity method.

Portfolio investments exist when the Government holds shares of private or public companies and the Government does not exercise significant influence. Portfolio investments are recorded at cost and dividends from these shares are recorded as income when receivable.

Bonds and debentures are recorded at amortized cost.

Tangible capital assets held by government service organizations are recorded as an expenditure in the period acquired. Capital assets held by government enterprises, as disclosed on schedule 3, are generally recorded at cost and amortized on a straight line basis over the estimated productive life of each asset.

Liabilities

Reported liabilities include obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of financial obligations to repay borrowing or to pay for goods and services acquired prior to year end, and of revenue, received or receivable, where goods or services will be delivered in the future.

Unearned revenue is revenue that will be earned in a subsequent fiscal year and includes revenue for Crown mineral leases, licence and service fees and restricted funding from other organizations.

Public debt consists of promissory notes, debentures and bank indebtedness of government service organizations which are recorded net of amounts reimbursable from government enterprises. Public debt is recorded at par. Premiums, discounts and issue costs are recorded as deferred charges and amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. Premiums and discounts on long-term investments within the sinking fund are amortized by the type of security on a constant yield basis.

Debt issues and sinking funds' investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Where borrowing is used to finance loans to government enterprises, all expenses are charged directly to government enterprises.

Pension liabilities are calculated using the projected benefit method prorated on services. Pension fund assets are valued at market related values. Changes in the pension liabilities as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight line basis over the expected average remaining service life of the related employee group. Gains or losses as a result of plan amendments are recognized in the period of the plan amendment.

Guaranteed debt includes guarantees of the Government made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expenditure in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

Government of Saskatchewan
Notes to the Summary Financial Statements

2. Cash and Temporary Investments

Temporary investments are generally for less than 30 days, and have an average effective interest rate of 5.32 per cent.

3. Land Held for Resale

The estimated net realizable value of the Government's land held for resale at March 31, 2000 is $229.4 million (1999 - $241.3 million).

4. Tangible Capital Assets

The Government has a significant investment in tangible capital assets that have a useful life of greater than one year. For government service organizations, tangible capital assets are recorded as an expenditure in the period acquired and are not included in the Statement of Financial Assets, Liabilities, and Accumulated Deficit. These assets are a key component in the delivery of government programs and provide on-going value to the public.

In the current year, government service organizations acquired tangible capital assets costing $191.3 million (1999 - $178.2 million). The following table includes the tangible capital assets held by government service organizations and does not include assets acquired by right, heritage assets and certain assets available for public use.

(thousands of dollars)

	2000							1999 (Restated[3])
	Land	Buildings	Machinery & Equipment	Vehicles	Capital Leases	Other [1]	Total	Total
Estimated useful life	*Indefinite*	*5 - 50 years*	*2 - 40 years*	*3 - 15 years*	*Varies*	*2 - 50 years*		
Opening cost	$70,379	$1,628,964	$492,422	$144,076	$68,744	$128,291	$2,532,876	$2,421,944
Adjustment to opening cost (note 15)	5,024	394,405	149,968	924	-	12,430	562,751	-
Reclassification[2]	-	4,839	9,442	652	-	(14,933)	-	-
Additions	1,606	69,451	83,237	13,070	107	23,779	191,250	178,208
Write-downs	-	(283)	-	-	-	(250)	(533)	(1,172)
Disposals	(29)	(3,190)	(25,679)	(10,554)	(881)	(8,140)	(48,473)	(66,104)
Closing cost of tangible capital assets	76,980	2,094,186	709,390	148,168	67,970	141,177	3,237,871	2,532,876
Opening accumulated amortization	-	452,915	335,503	77,276	37,413	50,792	953,899	882,655
Adjustment to opening accumulated amortization (note 15)	-	157,377	104,833	649	-	4,156	267,015	-
Annual amortization	-	75,124	57,058	5,333	3,499	10,86	151,876	112,891
Write-downs	-	(238)	-	(10)	-	(217)	(465)	(691)
Disposals	-	(2,833)	(23,234)	(7,811)	(881)	(7,641)	(42,400)	(40,956)
Closing accumulated amortization	-	682,345	474,160	75,437	40,031	57,952	1,329,925	953,899
Net Book Value of Tangible Capital Assets	$76,980	$1,411,841	$235,230	$72,731	$27,939	$83,225	$1,907,946	$1,578,977

[1] Includes: construction in progress, computer software, furniture and office equipment, aircraft and other tangible capital assets.
[2] Includes the reclassification of construction in progress completed during the period.
[3] Restated to include the tangible capital assets of the Saskatchewan Grain Car Corporation (net book value $30.3 million).

Government of Saskatchewan
Notes to the Summary Financial Statements

5. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in these financial statements in the accrual of pension obligations, non-renewable resources royalties, site restoration obligations, accident claims obligations, the federal government's Equalization and Canada Health and Social Transfer payments, and in the valuation of loans where repayment is contingent upon an organization's cash flows. The uncertainty arises from factors such as the effect on accrued pension obligations of actual experience compared to actuarial estimations and assumptions; the effect on accrued royalties of price and production sensitivities in the royalty structures; the effect on site restoration obligations of actual experience compared to historical estimations and assumptions; the effect on accrued accident claims obligations of actual experience compared to actuarial estimations and assumptions; the effect on transfers from the federal government of changes in economic and demographic conditions in the Province and the country; and the effect of commodity prices on cash flows. Management considers that it is reasonably possible that changes in future conditions in the near term could require a material change in the amounts recognized. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

6. Pension Liabilities

The Government of Saskatchewan sponsors several defined benefit and defined contribution pension plans for a significant number of its employees and for members of the Legislative Assembly.

Defined benefit pension plans provide benefits based on length of service and pensionable earnings. A typical defined benefit pension plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their pension plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not done in the current fiscal year. Valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. The long-term inflation rate is estimated between 3.25 and 4.00 per cent, other estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on actual market values averaged over a five year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government matches employee current service contributions.

Pension fund assets of government sponsored defined benefit and defined contribution pension plans are invested in fixed income securities, equities, real estate and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

a) Government Service Organizations

Defined benefit pension plans

The two main plans of government service organizations are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Members of the Legislative Assembly Superannuation Plan (MLA), Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan and the Saskatchewan Pension Annuity Fund, an annuity underwriting operation.

The TSP provides inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

The Government is required to match member current service contributions for all plans except Judges and the PSSP. Separate pension funds are maintained for all plans except the PSSP. PSSP member contributions are deposited into the General Revenue Fund. All pension obligations arising under the PSSP are paid from the General Revenue Fund.

Government of Saskatchewan
Notes to the Summary Financial Statements

Information on the defined benefit pension plans of government service organizations follows:

	2000				1999
	TSP	PSSP	Others	Total	Total
Plan status	closed	closed	closed[1]	n/a	n/a
Member contribution rate, percentage of salary	7.85	7.0 - 9.0[2]	5.0 - 9.0[2]	n/a	n/a
Number of active members	6,480	2,294	95	8,869	9,683
Average age of active members, years	48.0	50.2	54.1	48.6	48.5
Former members entitled to deferred pension benefits	16,386	158	11	16,555	18,196
Number of superannuates and surviving spouses	8,908	5,856	1,779	16,543	16,253
Member contributions (thousands of dollars)	$ 22,000	$ 6,296	$ 350	$ 28,646	$ 30,273
Government contributions (thousands of dollars)	90,000	–	4,802	94,802	97,332
Benefits paid (thousands of dollars)	195,884	89,567	6,311	291,762	285,420

[1] Judges is open to new membership, all other plans are closed.
[2] Contribution rate varies based on age upon joining the plan.

Based on the latest actuarial valuation, extrapolated to March 31, 2000, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(thousands of dollars)

		2000					1999
Plan Name	Actuarial Valuation Date	Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments[1]	Recorded Pension Liabilities	Recorded Pension Liabilities
TSP[2]	Jun. 30/97	$ 3,776,000	$ 1,535,000	$ 2,241,000	$ 267,353	$ 2,508,353	$ 2,476,931
PSSP	Sept. 30/99	1,507,742	—	1,507,742	(277,256)	1,230,486	1,209,648
Others	Various	183,170	105,855	77,315	(15,108)	62,207	62,449
Total		$ 5,466,912	$ 1,640,855	$ 3,826,057	$ (25,011)	$ 3,801,046	$ 3,749,028

[1] Amortized to income over 1 - 13 years (1999, 1 - 13 years), the estimated average remaining service life of active plan members at the time the estimation adjustment arises.
[2] The TSP accrued benefit obligation includes a liability of $63.0 million (1999 - $67.0 million) relating to the TSP disability provision.

At March 31, 2000, the market value of plan investments was $2.0 billion (1999 - $1.9 billion). Of this amount, 47.9 per cent (1999 - 50.7 per cent), was invested in fixed income securities and 48.4 per cent (1999 - 45.8 per cent) in equity investments.

Defined contribution pension plans

The two main multi-employer defined contribution pension plans sponsored by the Government are the Public Employees Pension Plan (PEPP) and the Capital Pension Plan (Capital). The Government matches employee current service contributions to these plans. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP), sponsored by the Saskatchewan Teachers' Federation. The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution pension plans of government service organizations follows:

	2000				1999
	Government Sponsored PEPP	Capital	STRP	Total	Total
Plan status	open	open	n/a	n/a	n/a
Member contribution rate, percentage of salary	5.0-5.75[1]	5.5	n/a	n/a	n/a
Government Service Organization participation:					
Number of active members	18,554	579	n/a	19,133	16,934
Number of inactive members	7,153	13	n/a	7,166	6,513
Member contributions (thousands of dollars)	$ 29,863	$ 1,323	n/a	$ 31,186	$ 26,591
Government contributions (thousands of dollars)	29,260	1,422	$ 20,076	50,758	44,115

[1] Contribution rate varies based on employee group.

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Notes to the Summary Financial Statements

Pension expenditure

Pension expenditure for government service organizations is reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit in both education expenditure and other expenditure. Pension interest expenditure is reported in debt charges. The total pension related expenditure of government service organizations includes the following:

	(thousands of dollars) 2000	1999
Defined benefit pension plans:		
Current period benefit cost	$ 66,884	$ 62,569
Amortization of estimation adjustments	(48,731)	(16,232)
	18,153	46,337
Employee contributions	(28,646)	(30,273)
Pension expenditure	(10,493)	16,064
Cost of financing unfunded pension obligation (pension interest expenditure)	240,584	244,813
Total pension related expenditure, defined benefit plans	230,091	260,877
Defined contribution pension plans:		
Total pension related expenditure, defined contribution plans	50,758	44,115
Total pension related expenditure	$ 280,849	$ 304,992

b) Government Enterprises

Defined benefit pension plans

The two main defined benefit pension plans of government enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other pension plans include Saskatchewan Government Insurance Superannuation Plan, Liquor Board Superannuation Plan, and the Workers' Compensation Board Superannuation Plan.

The Government contributes the amount necessary to fund the payment of pension benefits.

At December 31, 1999, the market value of plan investments was $1.6 billion (1998 - $1.5 billion). Of this amount, 40.0 per cent (1998 - 42.7 per cent) was invested in fixed income securities and 48.6 per cent (1998 - 44.9 per cent) in equity investments.

Information on the defined benefit pension plans of government enterprises follows:

	2000				1999 (Restated)
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Member contribution rate, percentage of salary	6.0 - 9.0[1]	7.0 - 9.0[2]	6.5 - 9.0[2]	n/a	n/a
Number of active members	718	981	187	1,886	1,980
Number of former members, superannuates and surviving spouses	1,707	1,470	491	3,668	3,625
Member contributions (thousands of dollars)	$ 2,099	$ 3,029	$ 429	$ 5,557	$ 5,538
Government contributions (thousands of dollars)	560	–	1,090	1,650	1,826
Benefits paid (thousands of dollars)	37,796	34,538	7,267	79,601	78,679

[1] Contribution rate varies based on age upon joining the plan and employee group.

[2] Contribution rate varies based on age upon joining the plan.

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Notes to the Summary Financial Statements

Based on the latest actuarial valuations extrapolated to December 31, 1999, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below.

(thousands of dollars)

Plan Name	Actuarial Valuation Date	2000 Accured Benefit Obligation	2000 Pension Fund Assets	2000 Pension (Surplus) Liability	1999 Pension (Surplus) Liability
SaskPower	September 30, 1999	$ 633,477	$ 680,389	$ (46,912)	$ (57,459)
SaskTel	December 31, 1998	620,033	770,151	(150,118)	(126,349)
Others	Various	111,953	92,407	19,546	18,363
Total		$ 1,365,463	$ 1,542,947	$ (177,484)	$ (165,445)

Defined contribution pension plans

Information on the defined contribution pension plans of government enterprises follows:

	2000 PEPP	2000 Capital	2000 Total	1999 Total
Plan status	open	open	n/a	n/a
Member contribution rate, percentage of salary	4.0-6.0[1]	5.5	n/a	n/a
Number of active members	7,586	1,962	9,548	8,903
Number of inactive members	2,071	58	2,129	1,957
Member contributions (thousands of dollars)	$ 18,469	$ 3,635	$ 22,104	$ 16,570
Government contributions (thousands of dollars)	13,445	3,566	17,011	16,905

[1] Contribution rate varies based on employee group.

Pension expense

Pension expense and pension interest expense for government enterprises are reported in the Summary Statement of Revenue, Expenditure, and Accumulated Deficit as a component of income from government enterprises.

7. Reserves

The accumulated deficit of $8,424.9 million consists of an unallocated deficit component of $8,436.8 million and the Environmental Protection Reserve of $11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

8. Expenditures by Object

Expenditures by object are reported as follows:

(thousands of dollars)

	2000	1999 (Restated)
Transfers	$ 2,663,937	$ 2,243,346
Salaries and benefits	1,763,396	1,587,282
Debt charges	1,025,709	1,110,833
Operating costs	960,961	914,772
Tangible capital asset acquisitions	191,250	178,208
Other	180,213	183,318
Total Expenditures	$ 6,785,466	$ 6,217,759

Government of Saskatchewan
Notes to the Summary Financial Statements

9. Comparison of Planned to Actual Results

A comparison of planned to actual surplus is as follows:

(thousands of dollars)

	2000		1999
	Planned	Actual	Actual
General Revenue Fund surplus for the year	$ 8,346	$ 83,479	$ 27,862
Government enterprises' income for the year		574,414	697,723
Other government service organizations' surplus for the year		144,271	428,631
Dividends received from government organizations included in the surplus figures above		(297,464)	(781,844)
Adjustments to conform to the basis of accounting described in note 1(c)		(86,262)	(244,066)
Surplus for the Year		$ 418,438	$ 128,306

The planned and actual figures are before elimination of inter-organization transactions.

10. Contingencies

a) Guaranteed debt

At March 31, 2000, $451.2 million (1999 - $549.3 million) in loans were guaranteed by the Government. Schedule 10 provides a listing of guaranteed debt.

b) Lawsuits

Up to $48 million may be paid depending on the outcome of lawsuits in progress.

c) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

11. Commitments

Major financial commitments include:

- forward purchase commitments of $1,862 million for coal contracted for future minimum deliveries valued at current prices;
- forward purchase commitments of approximately $2,000 million for power over the next 24 years;
- treaty land entitlement agreement commitments valued at approximately $98.3 million;
- other commitments of $704.1 million which include commitments of $35.5 million for agriculture, $7.5 million for community development, $42.4 million for economic development, $55.7 million for education, $2.4 million for environment and natural resources, $41.5 million for health, $134.7 million for social services and assistance, and $52.2 million for transportation; and,

Government of Saskatchewan
Notes to the Summary Financial Statements

- capital and operating lease obligations as follows:

	(thousands of dollars) Operating	Capital
Future minimum lease payments		
2000-01	$ 52,077	$ 13,224
2001-02	51,934	12,891
2002-03	47,465	12,519
2003-04	39,601	11,958
2004-05	35,088	11,450
Thereafter	29,222	60,081
	255,387	122,123
Less: Interest and executory costs	-	(70,497)
Total Lease Obligations	$ 255,387	$ 51,626

Total operating lease obligations include $136.7 million for government service organizations and $118.7 million for government enterprises.

Total capital lease obligations relate entirely to government service organizations (schedule 5).

12. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Government and the Government has no equity in the funds. Therefore, trust funds are not included in the reporting entity.

Fund balances held and administered by the Government at March 31, 2000, were as follows:

	(thousands of dollars) 2000	1999
Superannuation funds and pension plans[1]	$ 7,668,218	$ 7,024,751
Public Trustee's Trust Account	143,860	132,503
Other trusts	41,690	37,273
Total Trust Funds	$ 7,853,768	$ 7,194,527

[1] The balance reflects the latest financial statements of the funds and plans closest to March 31, 2000.

13. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Government, including those related to customers, suppliers, or other third parties, have been fully resolved.

14. Comparative Figures

Certain of the 1999 comparative figures have been reclassified to conform with the current year's presentation.

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Notes to the Summary Financial Statements

15. District Health Boards

During 1999-2000, it was determined that the relationship with District Health Boards (DHBs) had evolved to the point where they now meet the criteria for inclusion in the reporting entity. As a result, all thirty-two DHBs have been included in these statements. The effect of including the DHBs has been reflected in the current period, and the financial statements of prior years in which only three DHBs were included have not been restated. Including the additional twenty-nine DHBs had the following effect on current period results:

	(thousands of dollars) Increase (Decrease)
Financial assets	$ 118,201
Liabilities	146,528
Accumulated deficit, end of year	(28,327)

In addition, the opening net book value of tangible capital assets disclosed in note 4 increased by $295.7 million.

Government of Saskatchewan
Schedules to the Summary Financial Statements
For the Year Ended March 31, 2000

Schedule 1 - Accounts Receivable

	(thousands of dollars)	
	2000	1999
Transfers from the federal government	$ 284,234	$ 33,373
Taxation	126,662	136,836
Non-renewable resources	103,379	69,928
Leases and farm loans	14,557	16,253
Insurance premiums due from agriculture producers	9,581	9,667
Accrued interest	6,823	4,742
Other	257,026	218,886
Total Accounts Receivable	$ 802,262	$ 489,685

Schedule 2 - Loans and Mortgages Receivable

	(thousands of dollars)	
	2000	1999
Agricultural loans		
Capital loan program	$ 92,687	$ 112,577
Short-term hog loan program	11,235	8,517
Production loan program	3,254	5,591
Livestock cash advance program	2,324	5,038
Counselling and Assistance for Farmers program	2,149	3,159
Other	1,020	3,605
	112,669	138,487
Provision for losses	(39,449)	(45,011)
	73,220	93,476
Student loans	13,926	21,596
Provision for losses	(9,256)	(13,953)
	4,670	7,643
Other loans	63,977	60,104
Provision for losses	(23,956)	(24,201)
	40,021	35,903
Mortgages		
Cornwall Centre	36,891	37,653
Housing	4,628	3,591
Other	249	3,059
	41,768	44,303
Total Loans and Mortgages Receivable	$ 159,679	$ 181,325

See page 55 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 2 (continued) - Loans and Mortgages Receivable

Capital loan program

Loans are repayable over terms not exceeding twenty-five years and bear interest at rates between 6.0 per cent and 13.5 per cent. Security on individual loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act.*

Short-term hog loan program

Loan applications were accepted under this program between January 15, 1999 and July 5, 1999 for hogs marketed between November 1, 1998 and May 29, 1999. Loans bear interest at 5.06 per cent until January 1, 2000 and after January 1, 2000 are converted to floating rate loans. Penalty interest is charged at prime plus 2 per cent. All loans are repayable in full by March 31, 2003. The program operates under *The Farm Financial Stability Act.*

Production loan program

Production loans were disbursed in 1986 bearing interest at 6 per cent repayable in equal principal instalments over a term of three years. Amounts in arrears are at prime plus 2 per cent. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 8.5 per cent. The loans are secured by promissory notes and, where applicable, by guarantees and general security agreements. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act.*

Livestock cash advance program

Effective August 1, 1993, clients with livestock cash advances began repaying their loans, bearing interest at the bank prime rate plus 2 per cent, over a maximum five year period. Program amendments allowed borrowers to reschedule their outstanding loans at an average rate of 8.5 per cent. The loans are secured by promissory notes and, where applicable, by guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act.*

Counselling and Assistance for Farmers program

Effective August 1, 1992, the Government no longer issued new guarantees under this program. Existing guarantees were renewed until March 31, 1995, at which time the program was terminated. The majority of loans are in default, have judgements obtained on them and bear interest at 5 per cent. The loans are secured by way of an assignment of security from the original lender. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act.*

Student loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985.* Loans are interest free for a six month period following discontinuance of studies or graduation. Effective August 1, 2000, this incentive will no longer be available. Interest relief grants, which extend the interest-free period for up to 18 months, are provided to qualified applicants. Interest rates are prescribed by the Minister of Post-Secondary Education and Skills Training. Special incentive loan remission and/or loan forgiveness is granted to all students who meet specific criteria.

A Risk Sharing Student Loans Agreement between the Government and a bank was signed in March 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Government retains responsibility for loan approval. Loans approved are lender-financed, disbursed, managed and collected by the bank. The Government pays a risk premium of 5 per cent to the bank when loans become repayable.

An agreement between the Government and a bank that was in effect from October 1, 1997 to December 31, 1999, allowed the Government to transfer all loans which were not in default, had more than seven monthly payments outstanding, and were not receiving interest relief. As a part of the agreement, the Government paid a risk premium of 5 per cent to the bank when the loans transferred.

Cornwall Centre mortgages

The Government holds two mortgages due jointly from Cadillac Fairview Corporation Limited and 1381052 ONTARIO INC. These mortgages mature December 1, 2001 and are repayable in blended monthly installments with mortgage rates of 9.63 per cent and 11.63 per cent respectively.

Housing mortgages and loans

Housing mortgages and loans were provided pursuant to provisions of Section 15 of *The Saskatchewan Housing Corporation Act.* The loans and mortgages are repayable, at various interest rates, over terms not exceeding thirty-five years. Security on the loans and mortgages may include promissory notes or charges against residential property.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 - Investment in Government Enterprises

	SaskEnergy Incorporated Dec. 31, 1999	Saskatchewan Power Corporation Dec. 31, 1999	Saskatchewan Telecom-munications Holding Corporation Dec. 31, 1999	Saskatchewan Liquor and Gaming Authority Mar. 31, 2000	Saskatchewan Gaming Corporation Mar. 31, 2000
Assets					
Cash and temporary investments					
Due from government organizations	$			673,570	
Other	(2,020)	44,872	(15,454)	849	17,252
Accounts receivable					
Due from government organizations		2,326			
Other	86,954	117,715	99,844	10,547	72
Inventories		90,571	8,468	14,675	165
Prepaid expenses	6,403	685	13,953	2,149	455
Long-term investments					
In the Province					
Other	5,027		68,278		
Capital assets	1,002,524	2,826,984	946,014	32,040	29,269
Other assets					
Due from government organizations					
Other	88,465	116,883	82,452	515	376
Total Assets	**1,187,353**	**3,202,036**	**1,203,555**	**734,345**	**47,589**
Liabilities					
Accounts payable and accrued liabilities					
Due to government organizations	19,454	65,627	7,062		19,816
Other	56,431	99,176	97,389	11,766	3,714
Dividends payable to government organizations	7,474	15,507	15,770		
Debt					
Owing to government organizations	725,816	1,542,250	403,049		
Other	4,816	176	5,775		24,059
Unearned revenue					
Received from government organizations	2,473				
Other	83,036	288,059	27,561		
Unpaid insurance claims					
Other liabilities			21	23,485	
Total Liabilities	**899,500**	**2,010,795**	**556,627**	**35,251**	**47,589**
Net Assets (Liabilities)	**$ 287,853**	**1,191,241**	**646,928**	**699,094**	**-**
Revenue					
Revenue from operations	$ 386,136	969,708	722,883	569,929	54,236
Transfers from government organizations	13,454	12,862	13,603		
Total Revenue	**399,590**	**982,570**	**736,486**	**569,929**	**54,236**
Expenses					
Expenses from operations	277,837	661,452	658,971	257,657	34,420
Transfers to government organizations	85,155	207,238	48,996		
Total Expenses[3]	**362,992**	**868,690**	**707,967**	**257,657**	**34,420**
Income (loss) before non-recurring items	36,598	113,880	28,519	312,272	19,816
Non-recurring items [4]			39,003		
Net Income (Loss) for the Year	**36,598**	**113,880**	**67,522**	**312,272**	**19,816**
Net assets (deficiency) -					
beginning, as previously reported	199,853	480,002	390,176	386,822	
Restatement of prior years					
Dividends to government organizations	(20,129)	(62,634)	(60,770)		(19,816)
Equity advances/share capital	71,531	659,993	250,000		
Net Assets (Deficiency) - End of Year	**$ 287,853**	**1,191,241**	**646,928**	**699,094**	**-**

See page 58 for additional information.

[3] Adjustments include:
- reclassifying dividends paid by March 31, 2000;
- reversing the write-off of deferred financing costs reported by Saskatchewan Power Corporation;
- reversing the loss recognized by Municipal Financing Corporation for a premium paid on an exchange of debt with the General Revenue Fund and amortizing this same loss over the term of the original debt issues; and,
- recording, in the current period, the prior period impact of a change of accounting policy made by the Workers' Compensation Board.

(thousands of dollars)

Municipal Financing Corporation of Saskatchewan Dec. 31, 1999	Saskatchewan Government Insurance Dec. 31, 1999	Saskatchewan Auto Fund Dec. 31, 1999	Workers' Compensation Board (Saskatchewan)[2] Dec. 31, 1999	Other Government Enterprises	Adjustments [1]	Total 2000	Total 1999 (Restated)
						673,570	$ 368,602
76,201	27,886	66,160	32,960	3,990	(38,845)	213,851	203,003
		4,353				8,679	5,692
1,812	36,494	49,720	18,294	159		421,611	418,752
						113,879	113,338
	34,534	13,477				71,856	74,603
	3,925	6,695	4,513			15,133	28,003
33,463	227,720	500,515	781,362	11,953		1,628,318	1,467,200
	16,995	30,498	29,123	83		4,915,530	4,877,603
						-	-
					14,829	303,520	376,834
111,476	**347,554**	**671,418**	**866,252**	**16,185**	**(24,016)**	**8,363,747**	7,933,630
2,973	6,571	17,162	6,398			145,063	147,140
50	10,984	13,457	65,597	829		359,393	345,793
	94				(38,845)	-	-
87,491						2,758,606	2,815,967
3,500						38,326	78,061
						2,473	2,112
	91,120	177,683				667,459	627,219
	122,395	525,250	592,082			1,239,727	1,179,059
	3,733		69,879			97,118	84,647
94,014	**234,897**	**733,552**	**733,956**	**829**	**(38,845)**	**5,308,165**	$ 5,279,998
17,462	**112,657**	**(62,134)**	**132,296**	**15,356**	**14,829**	$ **3,055,582**	$ 2,653,632
7,163	184,421	471,751	224,392	2,553	(4,758)	$ **3,588,414**	$ 3,522,103
		2,896	13,313			**56,128**	57,181
7,163	**184,421**	**474,647**	**237,705**	**2,553**	**(4,758)**	**3,644,542**	3,579,284
548	167,752	418,255	179,137	3,728	1,125	**2,860,882**	2,460,072
7,997	6,561	26,904	6,398			**389,249**	399,191
8,545	**174,313**	**445,159**	**185,535**	**3,728**	**1,125**	**3,050,131**	2,859,263
(1,382)	10,108	29,488	52,170	(1,175)	(5,883)	**594,411**	720,021
(9,273)			(59,000)		9,273	**(19,997)**	(22,298)
(10,655)	**10,108**	**29,488**	**(6,830)**	**(1,175)**	**3,390**	**574,414**	697,723
28,117	56,646	(91,622)	139,126	16,548	11,432	**1,617,100**	1,441,221
						-	-
	(9,097)			(18)		**(172,464)**	(521,844)
	55,000			1	7	**1,036,532**	1,036,532
17,462	**112,657**	**(62,134)**	**132,296**	**15,356**	**14,829**	$ **3,055,582**	$ 2,653,632

2 Net assets are restricted as disclosed in the narrative portion of this schedule on the pages following.

3 Total expenses include debt charges of $274.2 million (1999 - $292.9), of which $255.2 million (1999 - $260.5) were paid to government organizations.

4 Non-recurring items include:

- a $39 million gain on the sale of the Government's 35% interest in Saturn Communications Limited held by Saskatchewan Telecommunications Holding Corporation;
- $36 million in rebates provided by the Workers' Compensation Board to qualified employers; and,
- a $23 million provision made by the Workers' Compensation Board for special legislated payments to qualifying dependent spouses.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 (continued) - Investment in Government Enterprises

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy promotes, transports, stores and distributes natural gas in Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower generates, purchases, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of voice, data, Internet, wireless, text and image products, systems and services. Through interconnection agreements with other Canadian telecommunication companies, SaskTel is part of the national and global communications network.

Saskatchewan Liquor and Gaming Authority (SLGA)

SLGA's main functions are to control the manufacturing and distribution of beverage alcohol throughout the Province, to oversee the licensing of all establishments selling alcohol in the Province, and to maintain the integrity of all licensed gaming while ensuring maximum benefit to Saskatchewan charities.

Saskatchewan Gaming Corporation (SGC)

SGC's mandate is to manage and operate Casino Regina.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Saskatchewan Government Insurance (SGI) & Saskatchewan Auto Fund (Auto Fund)

SGI's competitive general insurance business, SGI CANADA, offers home, tenant, farm, automobile extension and commercial coverages.

The Auto Fund, the Province's compulsory vehicle insurance program, is administered by SGI on behalf of the Government. Any net assets of the Auto Fund are for the future benefit of Saskatchewan's motoring public and are not used for the payment of dividends to the General Revenue Fund.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation insurance to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for the payment of dividends to the General Revenue Fund.

Other Government Enterprises

Other government enterprises includes the following:

- **Saskatchewan Government Growth Fund Management Corporation (SGGF)**

  SGGF participates in the federal government's Immigrant Investor Program to acquire lower cost capital for investment in Saskatchewan on commercial terms. Investment funds are raised through eight subsidiary fund companies and are managed by SGGF.

- **Saskatchewan Forest Products Corporation (SFPC)**

  SFPC ceased to have active business operations in April 1995 following the execution of a sales agreement which facilitated the formation of Saskfor MacMillan Limited Partnership, a partnership between the Government and MacMillan Bloedel Limited. On December 22, 1999 SFPC ceased to exist and its remaining assets, liabilities and operations were transferred to Crown Investments Corporation of Saskatchewan (non-consolidated).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 - Other Investments

	Voting Percentages	2000	1999 (Restated)
		(thousands of dollars)	
Equity Investments			
Government Business Partnerships			
Meadow Lake Pulp Limited Partnership			
partnership interest	50.0%	$ (51,802)	$ (62,831)
NewGrade Energy Inc.			
common shares	50.0%	(56,613)	(67,201)
Saskfor MacMillan Limited Partnership			
partnership interest	50.0%	-	61,040
Other Equity Investments			
Saskferco Products Inc.			
68,449,080 (1999 - 68,449,080) class B common shares	49.0%	103,014	108,249
Other		18,722	15,345
		13,321	54,602
Portfolio Investments			
Cameco Corporation			
5,423,123 (1999 - 5,423,123) common shares	9.5%	114,898	114,898
HARO Financial Corporation			
68,000,000 (1999 - 68,000,000) class B non-voting common shares	-	68,000	68,000
Other portfolio investments		12,836	12,914
		195,734	195,812
Bonds and Debentures			
HARO Financial Corporation		204,740	204,471
Meadow Lake Pulp Limited Partnership			
participating debentures		148,361	148,361
NewGrade Energy Inc.			
promissory notes		18,421	9,568
Other bonds and debentures		40,261	15,681
		411,783	378,081
Property Holdings		114,674	99,569
Total Other Investments		$ 735,512	$ 728,064

See pages 60-62 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Meadow Lake Pulp Limited Partnership (MLPLP)

The Government, through its wholly-owned subsidiary CIC Pulp Ltd., owns a 50 per cent (1998 - 50 per cent) interest in MLPLP.

In addition to its equity interest in MLPLP, the Government has also provided the following loans:

- The Participating Debenture of $99.0 million (1998 - $99.0 million) bearing interest at 11.15 per cent (1998 - 11.15 per cent) calculated on October 31 of each year.
- The Term Loan of $20.0 million (1998 - $20.0 million) bearing interest at prime plus 2.0 per cent, which is 8.5 per cent at December 31, 1999 (1998 - 8.75 per cent). Interest on this loan is being paid monthly.
- The Contingency Loan of $10.9 million (1998 - $10.9 million) bearing interest at prime plus 1.0 per cent which is 7.5 per cent at December 31, 1999 (1998- 7.75 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance.
- A guarantee advance of $8.0 million (1998 - $8.0 million) bearing interest at prime plus 1 per cent, which is 7.5 per cent at December 31, 1999 (1998 - 7.75 per cent).
- A cash flow loan of $10.5 million (1998 - $10.5 million) bearing interest at prime plus 1 per cent, which is 7.5 per cent at December 31, 1999 (1998 - 7.75 per cent).

The Government records, as a separate loan (Interest Loan), the accrued interest receivable from the Participating Debenture. Interest on the Interest Loan, at 11.15 per cent, is calculated on October 31 of each year and is added to the principal balance outstanding on the loan. Interest income earned and forming part of the Interest Loan is recorded as deferred interest income due to the timing uncertainty of collection. The deferred interest income will be recorded as income when payments are received under the cash availability formula.

Any payments to be made on the Participating Debenture, the Contingency Loan and the Interest Loan are subject to available cash flows as defined in the loan agreements. Payments towards principal outstanding on the Term Loan are due in two equal instalments after MLPLP has fully repaid an external bank loan. The Contingency Loan, Term Loan, Participating Debenture and Interest Loan mature in 2014. The remaining balance outstanding on the Interest Loan and Participating Debenture on October 31, 2014 shall bear interest at a rate equal to the short-term cost of borrowing for the Province of Saskatchewan, which at December 31, 1999 was 5.02 per cent (1998 - 4.95 per cent), until paid in full.

During 1999, the Government continued to work with MLPLP's other major lender to financially restructure MLPLP. This restructuring began in 1998 with the Government providing MLPLP with an $8.0 million advance under a bank loan guarantee and providing cash flow funding of $5.0 million. Similar to the Participating Debenture and Interest Loan, accrued interest on the Guarantee Advance and Cash Flow Loan is deferred due to the uncertainty of collection. Repayment terms will be determined once the final restructuring of MLPLP is complete.

The total deferred interest is $229.7 million (1998 - $188.9 million).

Due to the uncertainty of cash flows from MLPLP, the Government's Participating Debenture is shown net of a provision for loan losses of $60.0 million (1998 - $60.0 million).

NewGrade Energy Inc. (NewGrade)

The Government owns 50 per cent (1998 - 50 per cent) of the outstanding voting participating shares of NewGrade. The Government also holds certain promissory notes due on demand from NewGrade that bear interest at Bank of Montreal prime rate, which is 6.50 per cent (1998 - 6.75 per cent).

In addition, should there be any operating shortfall at the end of any year, the Government will loan NewGrade up to $2.0 million, escalated by inflation, in the form of a Subordinated Operations Fee Amount after Consumers Co-operative Refinery Ltd. (CCRL) has provided its $2.0 million Subordinated Operations Fee Amount. If these loans do not cover all cash shortfalls, then the Government will lend NewGrade up to $4.0 million as a Cash Flow Deficiency Loan on a pro-rata basis with CCRL. If this facility is exhausted, the Government will lend NewGrade the remainder to cover any other annual operating shortfalls. These loans, if any, will bear interest at CCRL's rate of borrowing. CCRL's required Cash Flow Deficiency Loans cannot exceed $40.0 million outstanding at any time.

During 1999, the Government provided $18.4 million to NewGrade under these agreements.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Saskfor MacMillan Limited Partnership (Saskfor)

On May 14, 1999, the Government, through its wholly-owned subsidiary CIC Forest Products Limited, sold its 50 per cent interest in Saskfor to MacMillan Bloedel Ltd. Saskfor is a lumber and structural panel operation located in Hudson Bay, Saskatchewan. The transaction generated a gain on sale of $30.2 million and provided net sale proceeds of $91.8 million.

Saskferco Products Inc. (Saskferco)

The Government holds a 49 per cent (1998 - 49 per cent) voting interest in Saskferco, a nitrogen fertilizer plant located in Belle Plaine, Saskatchewan. These shares are accounted for using the modified equity method.

Cameco Corporation (Cameco)

At December 31, 1999, the Government owned 5,423,123 (1998 - 5,423,123) voting common shares of Cameco representing a 9.5 per cent (1998 - 9.4 per cent) interest. Included in the investment in Cameco is one Class B share which provides the Government with the ability to exercise special voting rights with respect to the location of Cameco's head office. These shares are accounted for using the cost method.

HARO Financial Corporation (HARO)

To December 31 1999, the Government had advanced $272.7 million (1998 - $272.5 million) to HARO to finance its ownership interest in Crown Life Insurance Company (Crown Life). In 1995, the Government exercised its right to convert $68.0 million of these advances into 68,000,000 non-voting, fully participating equity shares of HARO.

The loan was for an initial five-year term with a maximum of four five-year renewal terms at the option of HARO. In 1998, the Government agreed to renew this loan for a second five-year term. Annual interest rates on the loan are fixed at the start of each renewal term. For the second five-year term, the interest rate on the loan is 6.64 per cent compounded annually.

Security for the loan is 100 per cent of HARO's assets, which as of December 31, 1999 consisted primarily of Crown Life shares. In 1999, the Canada Life Assurance Company acquired most of the insurance operations of Crown Life. Although Crown Life's operations have significantly changed as a result of this transaction, it retained approximately $1.5 billion in assets and certain insurance operations which will continue to be managed by Crown Life.

Payment of principal and interest is subject to available cash flow as defined in the loan agreement. Due to collection uncertainty, the Government will record interest income when payments are received. HARO made no interest or principal payments to the Government during 1999. Total interest owing to the Government is $136.0 million (1998 - $114.8 million).

All unpaid principal and interest is due on December 15, 2017. On that date, any amounts outstanding will convert to a maximum of 94 per cent of HARO equity shares. The Government has a unilateral right, prior to December 15, 2017, to convert no less than 25 per cent of the loan to either HARO non-voting, HARO voting or Crown Life shares. The number of Crown Life shares acquired by the Government may not exceed 94 per cent of the Crown Life shares owned by HARO. Any conversion may be subject to regulatory approval.

Ownership of the 68,000,000 of HARO's Class B non-voting common shares entitles the Government to a maximum of 94 per cent of participation rights with respect to dividends and remaining property of HARO on its liquidation or dissolution. Subject to regulatory approval, the Government has a unilateral right to exchange at any time the Class B shares for voting shares or 94 per cent of HARO's assets.

Market Values

The market value of the Government's only publicly traded investment held at March 31, 2000 was as follows (millions of dollars):

Cameco	$ 80.8

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Investment in Government Business Partnerships

The Government has invested in government business partnerships to promote economic growth and provide an economic return. At March 31, 2000, the Government's investment in government business partnerships includes Meadow Lake Pulp Limited Partnership and NewGrade Energy Inc. In addition, at March 31, 1999, the investment also included Saskfor MacMillan Limited Partnership. Meadow Lake Limited Partnership operates a pulp mill near Meadow Lake, and NewGrade Energy Inc. operates a heavy oil upgrading plant in Regina. The Government holds a 50 per cent share in each of these investments which are accounted for using the modified equity method.

	(thousands of dollars) 2000	1999
Condensed Financial Information for Government Business Partnerships:		
Assets		
Capital assets	$ 318,139	$ 401,288
Other assets	257,038	258,158
Total Assets	575,177	659,446
Liabilities		
Debt		
Owing to government organizations	466,106	412,989
Other	343,780	419,256
Other liabilities	230,675	152,140
Total Liabilities	1,040,561	984,365
Net Liabilities	$ (465,384)	$ (324,919)
Operating Results		
Revenue	$ 830,653	$ 622,015
Expenses	844,485	689,866
Operating Results for the Year	(13,832)	(67,851)
Net Operating Deficiency - beginning of year	(523,517)	(455,666)
Effect of partnership dissolution	(38,912)	-
Net Operating Deficiency - end of year	(576,261)	(523,517)
Equity advances/share capital (net of partnership distributions)	110,877	198,598
Net Deficiency - End of Year	$ (465,384)	$ (324,919)
Investment in Government Business Partnerships:		
Government's share of accumulated Net Operating Deficiency	$ (288,131)	$ (261,759)
Government's investment [1]	64,806	101,246
Adjustments [2]	114,910	91,521
Total Investment in Government Business Partnerships [3]	$ (108,415)	$ (68,992)

[1] Government's investment includes the Government's initial investment net of partnership distributions as well as subsequent cash injections provided under various terms and conditions.

[2] Adjustments include:
- elimination of expenditures included in the Government's share of accumulated operating deficiency above and also consolidated as part of the operations of Government Service Organizations.
- recording additional operating expenditures incurred by the Government's subsidiaries through which the Government has made these investments.

[3] Total investment in government business partnerships include:

Meadow Lake Pulp Limited Partnership	$ (51,802)	$ (62,831)
NewGrade Energy Inc.	(56,613)	(67,201)
Saskfor MacMillan Limited Partnership	-	61,040
	$ (108,415)	$ (68,992)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 5 - Accounts Payable and Accrued Liabilities

	(thousands of dollars)	
	2000	1999 (Restated)
Transfers	$ 501,792	$ 360,539
Accrued interest	224,666	259,323
Supplier payments	183,144	159,562
Transfers to the federal government	154,980	106,507
Accrued employee benefits	146,948	139,106
Public employee benefit plans claims payable	58,265	48,776
Capital lease obligations (note 11)	51,626	53,729
Other	128,188	204,650
Total Accounts Payable and Accrued Liabilities	$ 1,449,609	$ 1,332,192

Schedule 6 - Other Liabilities

	(thousands of dollars)	
	2000	1999
Funds held on behalf of government enterprises and others		
Saskatchewan Liquor and Gaming Authority	$ 673,570	$ 363,654
Queen's Bench Court Account	10,002	8,540
Public Employees' Pension Plan	9,193	4,997
Teachers' Superannuation Commission	3,135	3,011
Others	20,693	17,007
	716,593	397,209
Other	4,942	3,091
Total Other Liabilities	$ 721,535	$ 400,300

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 7 - Public Debt

(thousands of dollars)

	2000			1999 (Restated)
	Gross Public Debt	Less Sinking Funds [5]	Public Debt	Public Debt
Government Service Organizations				
General Revenue Fund [1]	$ 7,927,851	$ 402,480	$ 7,525,371	$ 7,652,492
Saskatchewan Housing Corporation	192,671	322	192,349	197,721
Saskatchewan Opportunities Corporation	126,706	863	125,843	103,280
District Health Boards [2]	126,551	-	126,551	36,619
Crown Investments Corporation of Saskatchewan (non-consolidated)	276,195	217,539	58,656	67,311
Saskatchewan Water Corporation	64,385	2,361	62,024	58,011
Agricultural Credit Corporation of Saskatchewan	235,551	157,657	77,894	94,179
Saskatchewan Land Services Corporation	6,930	-	6,930	-
Saskatchewan Development Fund Corporation	1,201	-	1,201	1,201
Debt of Government Service Organizations [3]	8,958,041	781,222	8,176,819	8,210,814
Government Enterprises				
Saskatchewan Power Corporation	1,680,270	137,844	1,542,426	1,636,328
SaskEnergy Incorporated	776,765	46,133	730,632	731,793
Saskatchewan Telecommunications Holding Corporation	468,910	60,086	408,824	414,226
Municipal Financing Corporation of Saskatchewan	90,991	-	90,991	84,167
Saskatchewan Gaming Corporation	24,059	-	24,059	27,710
	3,040,995	244,063	2,796,932	2,894,224
Adjustments to March 31	55,447	(28,708)	84,155	84,619
Debt of Government Enterprises [4]	3,096,442	215,355	2,881,087	2,978,843
Total Public Debt [6]	$ 12,054,483	$ 996,577	$ 11,057,906	$ 11,189,657

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

[1] General Revenue Fund debt is shown net of $2,843.8 million (1999 - $2,934.7 million) reimbursable from government enterprises, $499.8 million (1999 - $493.4 million) reimbursable from government service organizations, and $2.3 million (1999 - $1.8 million) borrowed from other government organizations.

[2] The 1999 comparative amount of debt for District Health Boards contains only the debt of the District Health Boards included in the summary reporting entity in prior years. See note 15 for information on the inclusion of the District Health Boards in the current year.

[3] This amount includes Canada Pension Plan debentures of $612.7 million (1999 - $656.6 million) at a weighted average interest rate of 11.48 per cent, ranging from 5.97 per cent to 17.51 per cent. Of this amount, $59.2 million is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

[4] The debt of government enterprises is as presented in their audited financial statements closest to March 31, 2000. The balance is adjusted for the net change to March 31, 2000. This amount includes Canada Pension Plan debentures of $728.1 million (1999 - $720.3 million) at a weighted average interest rate of 11.22 per cent, ranging from 9.04 per cent to 16.10 per cent. Of this amount, $27.9 million is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

[5] See Schedule 8 for information on sinking funds.

[6] See Schedule 9 for information on debt by maturity.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 8 - Sinking Funds

(thousands of dollars)

	1999	2000				
	Sinking Funds	Contributions	Earnings	Less Redemptions	Currency Adjustment	Sinking Funds
Government Service Organizations						
General Revenue Fund	$ 339,754	$ 45,727	$ 22,955	$ -	$ (5,956)	$ 402,480
Crown Investments Corporation of Saskatchewan	233,884	-	8,080	24,425	-	217,539
Agricultural Credit Corporation of Saskatchewan	141,372	10,200	6,085	-	-	157,657
Saskatchewan Water Corporation	1,897	302	162	-	-	2,361
Saskatchewan Opportunities Corporation	215	600	48	-	-	863
Saskatchewan Housing Corporation	-	313	9	-	-	322
Sinking Funds of Government Service Organizations	717,122	57,142	37,339	24,425	(5,956)	781,222
Government Enterprises						
Saskatchewan Power Corporation	228,380	9,381	14,746	112,614	(2,049)	137,844
Saskatchewan Telecommunications Holding Corporation	78,891	2,693	5,997	26,480	(1,015)	60,086
SaskEnergy Incorporated	37,972	4,279	3,882	-	-	46,133
	345,243	16,353	24,625	139,094	(3,064)	244,063
Increase (decrease) to March 31	(36,360)	298	(4,452)	(10,675)	1,131	(28,708)
Sinking Funds of Government Enterprises	308,883	16,651	20,173	128,419	(1,933)	215,355
Total Sinking Funds	$ 1,026,005	$ 73,793	$ 57,512	$ 152,844	$ (7,889)	$ 996,577

The market value of sinking funds, at March 31, 2000, is $994.0 million (1999 - $1,087.5 million)

Sinking fund earnings include losses on investment sales of $5.6 million (1999 - gains of $9.0 million)

The total sinking fund assets have been disclosed net of $3.8 million in liabilities (1999 - $2.5 million).

Annual contributions, when established by Order in Council, are set at not less than one per cent of debentures outstanding. The redemption value is based on the market value of the sinking fund units at the date of redemption.

The aggregate amount of contributions estimated to be required in each of the next five fiscal years to meet sinking fund requirements are:

(thousands of dollars)

2000-01	$ 67,502
2001-02	65,305
2002-03	65,305
2003-04	65,305
2004-05	62,369
	$ 325,786

Sinking fund assets have been invested as follows:

(thousands of dollars)

	2000	1999
Long-term Investments		
Province of Saskatchewan securities; coupon interest range 5.5% to 13.0%; maturing in 0.8 to28.9 years	$ 623,341	$ 581,847
Government of Canada securities; coupon interest range 5.0% to 7.5%; maturing in 3.2 to 9.2 years	23,949	41,121
Other provincial governments' securities; coupon interest range 4.88% to 10.50%; maturing in 1.1 to 39.3 years	238,448	195,035
Corporate and municipal securities; interest rate 12.25%	-	6,956
Government of the United States securities; coupon interest rate 5.5%	-	3,005
Other	110,839	198,041
Total Sinking Fund Investments	$ 996,577	$ 1,026,005

Included are U.S. dollar long-term investments converted to $205.8 million Canadian (1999 - $194.8 million) at the exchange rate in effect at March 31, 2000, 1.4535 (1999 - 1.5092)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 - Public Debt by Maturity

(thousands of dollars)

Year of Maturity	2000 Canadian Dollar Debt	2000 U.S. Dollar Debt (CDN $)	2000 Total (CDN $)	2000 Average Coupon Rate	1999 (Restated) Total (CDN$)	1999 (Restated) Average Coupon Rate
Government Service Organizations						
Short-term promissory notes	$ 345,300	$ -	$ 345,300	5.12%	$ 215,100	4.97%
1999-2000	-	-	-		1,255,896	8.43%
2000-01	1,252,122	-	1,252,122	10.28%	1,247,169	10.42%
2001-02	833,594	-	833,594	8.18%	880,909	8.42%
2002-03	397,617	-	397,617	9.29%	461,380	9.33%
2003-04	415,846	-	415,846	7.04%	545,468	6.52%
2004-05	1,525,847		1,525,847	7.55%	-	
1-5 years	4,770,326	-	4,770,326		4,605,922	
6-10 years	1,766,771	-	1,766,771	7.16%	1,640,232	7.99%
11-15 years	1,152,051	617,738	1,769,789	8.90%	1,473,693	8.57%
16-20 years	54,755	-	54,755	6.43%	589,409	10.23%
21-25 years	15,000	581,400	596,400	9.05%	618,680	9.05%
Thereafter	-	-	-		-	
	$ 7,758,903	$ 1,199,138	8,958,041		8,927,936	
Less: Sinking funds			(781,222)		(717,122)	
Debt of Government Service Organizations			8,176,819		8,210,814	
Government Enterprises						
Short term promissory notes	$ 14,700	$ -	$ 14,700	5.12%	4,900	4.97%
1999-2000	-	-	-		4,840	9.14%
2000-01	87,745	-	87,745	10.86%	54,965	10.82%
2001-02	36,285	-	36,285	15.21%	8,258	1.43%
2002-03	385,423	-	385,423	12.50%	428,954	12.47%
2003-04	97,355	72,675	170,030	9.45%	72,815	9.24%
2004-05	205,966	-	205,966	11.52%	-	
1-5 years	827,474	72,675	900,149		674,732	
6-10 years	644,085	281,979	926,064	8.73%	1,184,282	9.22%
11-15 years	-	109,013	109,013	7.38%	235,216	8.70%
16-20 years	-	-	-		-	
21-25 years	240,000	581,400	821,400	9.13%	853,680	5.82%
Thereafter	339,816	-	339,816	7.26%	339,816	7.27%
	$ 2,051,375	$ 1,045,067	3,096,442		3,287,726	
Less: Sinking funds			(215,355)		(308,883)	
Debt of Government Enterprises			2,881,087		2,978,843	
Total Public Debt			$ 11,057,906		$ 11,189,657	

See page 67 for additional information

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 (continued) - Public Debt by Maturity

The overall average effective interest rate of public debt is 8.33 per cent (1999 - 8.58 per cent) and the average term to maturity is 8.3 years (1999 - 8.8 years). The average effective interest rate includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures.

U.S. dollar debentures have been converted to Canadian dollars at the year-end exchange rate of 1.4535 (1999 - 1.5092).

The debt of government service organizations includes Canada Pension Plan debentures of $612.7 million (1999 - $656.6 million) at a weighted average interest rate of 11.48 per cent, ranging from 5.97 per cent to 17.51 per cent. Of this amount, $59.2 million is payable within one year. The debt of government enterprises includes Canada Pension Plan debentures of $728.1 million (1999 - $720.3 million) at a weighted average interest rate of 11.22 per cent, ranging from 9.04 per cent to 16.10 per cent. Of this amount, $27.9 million is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

Debt includes debentures of $1,066.5 million (1999 - $1,474.0 million) redeemable annually at the option of the holder or anytime on the death of the holder. $154.4 million of this amount is payable within one year.

Included in total public debt are the following amounts:

- debentures totalling 22.5 billion yen (1999 - 22.5 billion) fully hedged to $259.2 million Canadian (1999 - $259.2 million).
- debentures totalling $750.0 million U.S. (1999 - 550.0 million) fully hedged to $1,037.0 million Canadian (1999 - $744.9 million).
- debentures totalling 200.0 million Deutschmarks (1999 - 200.0 million) fully hedged to $154.1 million Canadian (1999 - $154.1 million).
- debentures totalling 400.0 million Swiss francs (1999 - 400.0 million) fully hedged to $292.0 million Canadian (1999 - $292.0 million).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 - Guaranteed Debt

(thousands of dollars)

	2000	1999
The Industry and Commerce Development Act		
Saskferco Products Inc.	$ 150,568	$ 191,567
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	118,723	150,085
Crown Investments Corporation of Saskatchewan (non-consolidated)		
NewGrade Energy Inc.	90,691	114,647
The Power Corporation Act		
Luscar Ltd.	26,957	28,919
National Trust Company	13,860	15,574
The Farm Financial Stability Act		
The Breeder associations loan guarantees	15,210	19,567
The Feeder associations loan guarantees	14,824	11,600
Other	20,408	17,355
Total Guaranteed Debt	$ 451,241	$ 549,314

Total guaranteed debt is net of a loss provision of $0.8 million (1999 - $0.3 million).

In addition to the amount shown, there is a contingent liability for interest accrued on these items.

See page 69 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 (continued) - Guaranteed Debt

Saskferco Products Inc.

The Government has guaranteed certain medium term notes issued by Saskferco to finance the construction of a nitrogen based fertilizer plant located near Belle Plain.

This guarantee pertains to debt denominated in U.S. dollars. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. The amount recorded is net of $114.0 million (1999 - $105.7 million) for Saskferco's equity in a sinking fund.

NewGrade Energy Inc. (NewGrade)

The Government has indemnified the Government of Canada for its guarantee of NewGrade's long term debt, to a maximum of $275 million. At March 31, 2000, the Government's guarantee is $90.7 million (1999 - $114.6 million).

The Government has also guaranteed certain long term debt of NewGrade to a maximum of $360 million. A significant portion of this guarantee relates to U.S. denominated debt. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. At March 31, 2000, the Government's guarantee is $118.7 million (1999 - $150.1 million).

Luscar Ltd. (formerly Manalta Coal Ltd.)

The Government has guaranteed a $45 million promissory note issued by Luscar Ltd. to finance the purchase of a dragline from Saskatchewan Power Corporation. The note is due in 2003. The amount recorded is net of $18.0 million (1999 - $16.1 million) for Luscar Ltd's equity in a sinking fund administered by the Minister of Finance.

National Trust Company

The Government is contingently liable for payments on certain leased mining equipment, which was assumed by the purchaser of a mining operation. The lease expires in 2004.

Breeder and Feeder Associations

The Government provides guarantees to lenders who make loans to production associations. The Government guarantees repayment of 25 per cent of the outstanding loan balance at the time of a first default on any advance, plus accrued interest as of the time that payment is to be made on the guarantee. Guarantees for each production association are limited to $4 million under the breeder cattle option and $4 million under the feeder cattle option.

Other

Other includes guarantees under $10 million.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 11 - Revenue

(thousands of dollars)

	2000	1999 (Restated)
Taxation		
Corporation capital	$ 293,351	$ 232,618
Corporation income	277,226	200,079
Fuel	369,010	354,597
Individual income	1,446,169	1,448,043
Sales	660,314	742,846
Tobacco	123,866	122,681
Other	53,848	54,296
Total Taxes	3,223,784	3,155,160
Non-renewable Resources		
Natural gas	91,784	65,944
Oil	640,097	304,501
Potash	169,452	202,464
Other	41,817	49,307
Total Non-renewable Resources	943,150	622,216
Gain on Sale of Investments	26,367	-
Other Own-source Revenue		
Equity investments	7,954	(4,358)
Other interest and investments	94,527	107,318
Fees/permits/licenses	507,977	407,782
Insurance	85,528	94,338
Miscellaneous	186,628	178,445
Total Other Own-source Revenue	882,614	783,525
Total Own-source Revenue	5,075,915	4,560,901
Transfers from the Federal Government		
Canada Health and Social Transfer	556,282	427,748
Equalization	541,598	441,944
Crop insurance premium contributions	70,104	58,005
Housing subsidy	63,880	44,208
Other	321,711	115,536
Total Transfers from the Federal Government	1,553,575	1,087,441
Total Revenue	$ 6,629,490	$ 5,648,342

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 12 - Gains and Losses on Investments

(thousands of dollars)

	2000	1999
Gain (loss) on sale of investments		
Saskfor MacMillan Limited Partnership	$ 30,241	$ -
Western Canadian Beef Packers Inc.	(3,874)	-
Provision for investment losses	(2,500)	(31,170)
Earnings (losses) from equity investments		
Saskferco Products Inc.	(2,191)	10,064
NewGrade Energy Inc.	1,020	(7,797)
Saskfor MacMillan Limited Partnership	3,038	9,686
Meadow Lake Pulp Limited Partnership	10,605	(16,616)
Other	(4,518)	305
Net (Loss) Gain on Investments	$ 31,821	$ (35,528)

Schedule 13 - Net Change in Non-cash Operating Activities

(thousands of dollars)

	2000	1999
Decrease (increase) in prepaid expenditures	$ (473)	$ 7,907
Decrease (increase) in accounts receivable	(312,577)	152,141
Decrease (increase) in inventories held for resale	512	12,189
Decrease (increase) in deferred charges	7,925	5,030
Increase (decrease) in accounts payable and accrued liabilities	117,417	67,106
Increase (decrease) in unearned revenue	22,616	54,323
Net Change in Non-cash Operating Activities	$ (164,580)	$ 298,696

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 14 - Reporting Entity

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Equity Fund
Agri-Food Innovation Fund
Apprenticeship and Trade Certification Commission [1]
Associated Entities Fund
Big Game Damage Compensation Fund
Board of Governors, Uranium City Hospital
Carlton Trail Regional College
Cattle Marketing Deductions Fund
CIC Industrial Interests Inc.
Commercial Revolving Fund
Conservation and Development Revolving Fund
Correctional Facilities Industries Revolving Fund
Correspondence School Revolving Fund
Crop Reinsurance Fund of Saskatchewan
Crown Investments Corporation of Saskatchewan (non-consolidated)
Cumberland Regional College
Cypress Hills Regional College
District Health Boards [3]
Extended Health Care Plan
Extended Health Care Plan for Certain Other Employees
Fish and Wildlife Development Fund
General Revenue Fund
Health Services Utilization and Research Commission
Highways Revolving Fund
Horned Cattle Fund
Law Reform Commission of Saskatchewan
Learning Resources Distribution Centre Revolving Fund
Livestock Services Revolving Fund
Milk Control Board
North West Regional College
Northern Revenue Sharing Trust Account
Northlands College
Oil and Gas Environmental Fund
Parkland Regional College
Prairie Agricultural Machinery Institute
Prairie West Regional College
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund
Public Employees Disability Income Fund
Public Employees Group Life Insurance Fund
Queen's Printer Revolving Fund
Resource Protection and Development Revolving Fund
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Archives Board
Saskatchewan Arts Board
Saskatchewan Cancer Foundation
Saskatchewan Centre of the Arts Fund
Saskatchewan Communications Network Corporation
Saskatchewan Crop Insurance Corporation
Saskatchewan Development Fund Corporation
Saskatchewan Grain Car Corporation
Saskatchewan Health Information Network
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation
Saskatchewan Indian Regional College
Saskatchewan Institute of Applied Science and Technology
Saskatchewan Land Information Services Corporation [1]
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation
Saskatchewan Opportunities Corporation
Saskatchewan Property Management Corporation
Saskatchewan Research Council
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company
Saskatchewan Water Corporation
Saskatchewan Western Development Museum
Saskatchewan Wetland Conservation Corporation
Sask911 Account
Southeast Regional College
St. Louis Alcoholism Rehabilitation Centre
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board

Government Enterprises (Modified Equity Method)

Municipal Financing Corporation of Saskatchewan
Saskatchewan Auto Fund
SaskEnergy Incorporated
Saskatchewan Forest Products Corporation [2]
Saskatchewan Gaming Corporation
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Government Insurance
Saskatchewan Liquor and Gaming Authority
Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
Workers' Compensation Board (Saskatchewan)

[1] Organization established during 1999-2000.
[2] Organization wound-up during 1999-2000.
[3] Effective 1999-2000 includes all District Health Boards (note 15)